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THE TIMES

Could revolution happen here?
Lord Chalfont, p 12

All radicals eliminated from leadership in China's new Politburo

The new Chinese Politburo, proclaimed yesterday at the end of the party congress in Peking is devoid of any figure closely associated with the late Chairman Mao's radical policies. Instead it has strong military bias and includes leaders who lay emphasis on

economic progress and industrial efficiency. Mr Teng Hsiao-ping, recently in disgrace, is now confirmed as one of the inner group of five leaders. In a broadcast in Mandarin, Moscow radio said that the announcement foretold a new power struggle and purge in China.

Accent on defence and economy

From David Bonavia
Peking, Aug 21
More than half of the 23 members of the new Politburo hold senior military posts, it was disclosed yesterday when Radio Peking announced their names. Counting Chairman Hua Guofeng, who by his office as commander-in-chief of the armed forces, 12 have distinguished military careers or commands. The only woman full member of the Politburo, Mrs Wu Kueilin, has been dropped but is a member of the Central Committee. The new leadership was announced after the conclusion of the eleventh party congress, launched at the weekend. One of the outstanding features of the congress is the return to the office of Mr Teng Hsiao-ping, the formerly disgraced chairman, who is named as one of the five members of the Politburo standing committee. The other standing committee members—the country's real leaders—are Chairman Hua; Mr Ye Chien-ying, the vice-minister of the State; Mr Li Xiannian, a senior Deputy Prime Minister in charge of economic planning; and Mr Wang Tung-sheng, commander of the elite troops who cooperated in last year's purge of the "gang of four" centred on Chairman Mao's widow, Chiang Tsing-ling. The military presence in the Politburo has been strengthened by the admission of the Air Force and Navy commanders, all as by the restoration of veteran military leaders lost their prominence in the late Lin Biao. Three senior military commanders of the Peking, North-East Canton regions—have also been reconfirmed in their posts. Mr Teng was re-named chief of staff of the armed forces. Another notable feature of the new Politburo is the inclusion of three men responsible for the Shanghai last autumn. Canton, the leaders were thought to

be strongly behind Mr Teng's recent rehabilitation, is also well represented. Preliminary surveys of the new Central Committee appointed at the congress indicate that many young people, brought forward at the radical-dominated tenth congress in 1973 have been purged as was expected. An unexpected appointment was that of Mr Fan Yi, who is responsible for China's foreign aid programmes. His deputy, Mr Chen Mu-hua, was made an alternate member, and is thus the only woman member of the new Politburo. Mr Keng Piao, who is especially prominent in Sino-Japanese relations, has been made a full member. Besides the heavy military bias, there are strong indications that the Politburo will put emphasis on economic planning and modernisation. It has been joined by Mr Yu Chien-ll, head of the planning body. The new leadership group appears to represent a careful balancing of regional, military and economic interests, with not a single member strongly committed to the former radical policies of Mao Tse-tung. Chairman Hua, in a speech to the congress, restated the promise made by the late Chou En-lai in 1975 that China would become a powerful modern socialist state by the end of this century. He also announced that the Cultural Revolution begun in 1966 was now definitely over—though there might be others in the future. Further speeches are expected to be released over the next few days, but the orientation of this congress is perfectly clear: to lay the foundations for a realistic build-up of the Chinese economy and armed forces, with relatively little emphasis on radical ideology. In this process Mr Teng is expected to be Chairman Hua's chief counsellor and executor. The most notable rising star of the Chinese political scene is Mr Wang Tung-sheng, a person of undetermined political opinions who has made his reputation mainly through

throwing his crack guards unit behind the right person at the right time. He was named secretary-general of the praesidium for the congress, a post which by historical precedent could lead to the secretary-generalship of the party. Chairman Hua's speech was more even-handed in its denunciation of the United States and the Soviet Union than other recent pronouncements on foreign policy. This is thought to be a way of preparing Mr Cyrus Vance, the American Secretary of State, for a tough Chinese stance when he arrives for talks on normalisation of diplomatic relations this week. However, there are no substantial signs that the new leadership is interested in a closer military or political relationship with the Soviet Union in the foreseeable future. The tone and appointments of this congress are almost the exact opposite of the one held in 1973, the last to be presided over by Mao. The emphasis is now on age, experience and prestige, whereas then it was on radical experimentation and youth—as symbolized by the number three position accorded to the now disgraced Shanghai commissar, Mr Wang Hung-wen. Mr Wang's most important message to the 1975 congress was his exhortation to "go against the tide"—something which cost China countless man-hours in strikes and political campaigns until the coup of last October and the subsequent efforts to restore order. Now even the phrase "go against the tide"—beginning to be discredited in the press. Russia foresees purge: China's latest party congress may be followed by a second Cultural Revolution and a new purge, Moscow radio said today. In a broadcast in Mandarin, beamed to China and monitored by Reuters in London, the radio said that the eleventh congress marked the beginning of a new stage in the power struggle among China's leaders, as the last few congresses had. Vance China visit, page 5
Leading article, page 13



Five leaders of China meeting the members of the congress in Peking on Saturday. From left Chairman Hua, Mr Li Hsien-nien, Mr Wang Tung-hsing, Mr Teng Hsiao-ping and Marshal Ye Chien-ying.

Inquiry call into Army 'brutality' in Belfast

From Christopher Walker
Belfast
Pressure is increasing for an inquiry into recent allegations of British Army brutality against Roman Catholics living in Turf Lodge, a republican housing estate on the outskirts of Belfast with a reputation for violence. Most of the incidents are said to have taken place on Friday, August 12, the day after the Queen's visit to the province ended. Opinion in the area is divided about whether certain Army operations, including the sealing-off of access roads to the isolated estate, preceded or came after the murder in the early afternoon of Marine Neil Bewley by a Provisional IRA sniper. Two of his colleagues were injured in a blast bomb attack. Criticism of the amount of force used by the soldiers, all members of 45 Commando, Royal Marines, has come from quarters not normally associated with republican propaganda. Among other things it is alleged that property was damaged at random, women and children were abused physically and verbally, that a pensioner was dragged from her house after the door had been smashed in by rifle butts, and that a male suspect was badly beaten by troops after arriving at a military base in an Army vehicle. The only Army reaction to the allegations has been a brief comment from Army headquarters late on Friday afternoon: "The frustrated reaction which we saw in the Turf Lodge was a result of the Provisional IRA's failure during the Queen's visit and it was entirely predictable. The Army's reaction to the lawlessness and murder which has erupted has been no different than after previous incidents." An official added that during the operation five weapons had been found. It is understood, however, that some senior officers are worried about the allegations.

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Passengers marooned in a Heathrow departure lounge yesterday found sleep the best way to kill time.

Strike vote by air assistants expected today

By Tim Jones
Labour Reporter
The 830 assistant air traffic controllers employed at airports throughout Britain are expected to vote today in favour of a total strike over the Bank holiday weekend. Limited action by 250 assistant controllers at West Drayton in support of the men's pay claim has already caused substantial delays and cancellations at Heathrow, Gatwick and other airports. A total strike, from midnight on Thursday until the following Tuesday would stop at least three quarters of the flights throughout Britain, according to the men's union. An official of the Civil Aviation Authority said yesterday: "Serious delays would result from such a strike but we are hoping to be able to keep air traffic flowing somehow, whatever happens." If the assistants stop work, air traffic controllers will have to process coded flight information for themselves. Every airport in the country would be affected. The controllers' union, the Civil and Public Services Asso-

ciation, considers that the Government is refusing to concede the men's pay claim for fear of breaching the 12-month rule and its guidelines for pay rises in single figure percentages. Mr Alistair Graham, the union's deputy general secretary, said yesterday: "It appears that the Government is causing continued disruption because it is unable to grasp that the 1975 settlement was pre-emptive policy, and therefore could be implemented, as the TUC suggests, without risking the whole pay policy." The union is seeking payments of between 13 and 17 per cent, backdated to January 1975, based on the outcome of negotiations which were conducted then with the Civil Aviation Authority. Mr Graham disputed the Government's contention that the money being sought is a claim. "We prefer to call it a settlement, because it is one," he said. The union is also angry over what it considers to be a lack of urgency by Government ministers in dealing with the dispute. Referring to a radio

interview given yesterday by Mr Davis, Under-Secretary of State, Department of Transport, Mr Graham said: "I am glad that the Government has come out of purdah. Unfortunately, Mr Davis may be the one Government minister not on holiday." Mr Graham said that Mr Davis had not asked the union to consider rephrasing its claim so that it came within the guidelines. "When we saw him last week he proposed no way out of the dispute and suggested no further meeting." The union also accuses Mr Davis of ignoring a "key letter, dated June 23, 1975, and sent to the union by the Civil Aviation Authority." It gave details of proposed pay increases and said: "Any changes in pay relativities agreed as a result of this exercise to be effective from January 1, 1975." Mr John Macreadie, the union official responsible for members in civil aviation said yesterday that the Government would have to act quickly if it wanted to avert the effects of the threatened strike. "If the Government is think-

ing of leaving everything until the last minute in relation to the possible Bank holiday strike, it is wholly mistaken. We may well have to hold back members who are anxious to commence the strike in advance of Thursday's deadline." Mr Ross, Home Secretary, who visited Heathrow to meet a son, was shown round the airport by officials so that he could see the confusion at first hand. Mr David Crouch, Conservative MP for South Devon, said yesterday that 250 people can cook a snook at the Government. Air Force help urged: The RAF could keep Britain's airports open if the Air Traffic control assistants' action developed into an all-out strike, Mr Robert Adley, Conservative MP for Christchurch and Lymington, said yesterday (the Press Association reports). "If people doing a job in a key sector of industry refuse to do it, someone should step in." Flights cancelled, page 2

Top Muzorewa man may join Mr Sithole

From Michael Knipe
Salisbury, Aug 21
Dr Elford Gubbah, the vice-president of Bishop Abel Muzorewa's United African National Council, announced his resignation today. He is a senior official to leave the bishop's African nationalist faction in the past month. Speculation is rife in African nationalist circles that the five will join the nationalist faction led by the Rev Ndabumgwe Sithole and that this group may be prepared for an accommodation with the Rhodesian Government, which is hoping to bring about some form of internal political settlement between whites and blacks. In the latest atrocity of the guerrilla war, 16 black civilian farm workers, men, women and children, were shot or burnt to death when a white-owned farm was raided at Odzani Junction yesterday evening. The farm lies 17 miles north of Umtali and 10 miles west of the Mozambique border. Shortly before the attack, Mr Roger Handberg, the Minister in overall control of the Government's military operation, gave a warning that within the next six months, the country would suffer the major impact of the "increased manpower reserves now available to the terrorists." It would be quite wrong for him to pretend that the country was not facing a difficult period, he admitted in a speech. There was a "very rough time ahead," he said, adding that the Government forces would not surrender but would win and show the world that those who

attempted to take power by the barrel of the gun would die by the gun. Dr Gubbah, like the four previous defectors from Bishop Muzorewa's group, said he had resigned because of the organization's failure to promote unity among the rival nationalist factions. He claimed the UANC had become "a tribal organization manipulated from outside the country". Dr Gubbah is a member of the minority Ndebele tribal group. He was the senior Ndebele member of the bishop's faction and as such a figurehead of the party's claim to be non-tribal. The other four members of the national executive to resign included Mr Morton Malinga, the national chairman, and the secretaries for foreign affairs and education. The bishop, who lost a power struggle for control of the externally-based Zimbabwe African National Union (Zanu) and its guerrilla forces operating out of Mozambique to Mr Muzorewa, returned to Rhodesia eight weeks ago and has since been actively rebuilding his internal support with the apparent acquiescence of the government. He said today he expects the five defectors from the UANC to join his faction, which is known as the African National Council (Sithole). While Bishop Muzorewa retains massive popular support personally, Mr Smith's Government is clearly hoping that Mr Sithole may attract respectable elements of what it regards as moderate black professional

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Lucas shop stewards threaten to spread dispute throughout British industry

By Clifford Webb
Shop stewards representing the 1,200 Lucas toolroom workers whose official strike is scheduled to begin today, are threatening to spread the dispute to toolrooms throughout the country. Unless Lucas management make a substantial cash offer at today's meeting with officials of the Amalgamated Union of Engineering Workers the stewards will seek "financial and physical support" from their colleagues in air ports, docks, road and rail centres. One of their primary targets could be the considerable quantities of foreign-made electrical components which Leyland Cars and other motor groups are importing to keep their assembly lines going. A large proportion of these alternative supplies are being flown in from Lucas's South African company. Mr Ron Morris, secretary of the Lucas shop stewards com-

mittee, confirmed over the weekend that his committee is also in contact with Mr Roy Fraser, leader of the 2,000 Leyland toolmakers who are now threatening strike action in support of their long campaign for separate bargaining rights. The two sides in the Lucas dispute—now entering its eighth week—are meeting in Birmingham today under the auspices of the Advisory, Conciliation and Arbitration Service. Mr Jim Mortimer, ACAS chairman, is travelling from London to chair the meeting. The strike, which has made 9,500 Lucas workers idle, has cut deliveries of starter motors, alternators and headlamps to Leyland, Ford, Vauxhall and Chrysler. As a result, production of Leyland Princess, IGC and Spitfire models has stopped, with 3,500 workers laid off. Incomplete Allegros being stockpiled at Longbridge will be joined by other models. The American motor company has escaped the full impact of the shortage because

of their recent three-week holiday shutdown. But their factories are now in full production. Assembly of Jaguar cars could stop within 48 hours. Some 700 men at Jaguar's Radford, Coventry engines and transmission plant began a strike last Friday in support of a £20 a week pay claim. A further 1,000 were laid off at the Browns Lane assembly plant. In a front page statement in the group's newspaper today, Mr Alex Park, British Leyland's chief executive, tries to take some of the momentum out of the campaign now building up in his plants for wage increases of nearly 50 per cent. Mr Park says: "The Government owns 95 per cent of British Leyland. It is plain that we must follow Government pay-policy for as long as it exists—whatever the company and the unions might wish to do. We have no option, and it is important that we all understand this."

Mafia hunter shot dead on holiday

Palermo, Aug 21.—Colonel Giuseppe Russo, a former Mafia hunter, died in a hail of bullets at a Sicilian holiday village last night. Police said the colourless attack bore all the marks of a Mafia vendetta execution. The retired police chief, a colonel in Italy's paramilitary carabinieri, was shot dead with a friend, Signor Filippo Costa, a teacher, as they were taking an after-dinner stroll through the village of Bosco della Ficuzza. The place is named after a forest and former Mafia hide-out. Two gunmen jumped from a car and riddled them with pistol and sub-machine gun fire, police said. Both died within minutes. Colonel Russo was head of the police investigation unit in Palermo, responsible for policing the Mafia-riddled heartland of western Sicily, for about 10 years until he retired six months ago. He was involved in almost all important investigations into Mafia crimes over the past decade, including the murder of Signor Pietro Scaglione, Palermo's chief prosecutor.—Reuters.

Sail to New York on QE2.

Fly home British Airways.

All for the price of the one-way sea fare.

If you're planning a trip to America, you can sail first class on Queen Elizabeth 2 one way across the Atlantic and fly the other way with British Airways—all for the price of the one-way sea ticket. Even if you sail tourist class, you can still save 50% of your air ticket home. In fact, the entire round trip can cost you as little as £430. So crossing the Atlantic on the world's most exclusive liner is perhaps not as extravagant as you'd thought. QE2 will be crossing the Atlantic no less than 9 times between now and November. Your travel agent has all the sailing dates together with details of all our special offers. Alternatively, contact Cunard direct for more information.

psies seal off t of A1 for wn horse race

ice in Nottinghamshire taking into complaints that it shut off seven miles of Great North Road with refuse and turned it into a course. Agents alongside the A1 at Sutton-on-Trent and rd said yesterday that gypsies, some from as far as Scotland, closed the for 20 minutes while ten families decided which owned the best horse. Family was from Surrey; ne from Doncaster. £20,000 on the race along A1. Side bets totalled 1 thousand pounds. Race, run at 6 am, on y last week, was won by uthern horse, which com the course in 19 minutes. The race the winning rejected an offer of for it. go in the town of Retnner, by said: "We did it was happening and the looking into it. No one right to close a trunk certainly for horse But inquiry words it because the gypsies ie district after the race.

Ethiopia fighting for its life, leader admits

Ethiopia is fighting for its very existence after suffering reverses on several different fronts, Lieutenant-Colonel Mengistu Haile-Mariam, leader of the military regime, has warned the country. Calling for mobilization of all Ethiopians, he admitted that large areas had been occupied by "secessionist traitors" in Eritrea, Ogaden and other areas, and ordered Somalia to withdraw its forces. Page 4

National Savings boost

July saw a huge inflow of funds into the National Savings Bank Investment Account after falling interest rates elsewhere suddenly made its yield attractive to institutional investors. National Savings are already well on their way towards surpassing last year's record intake. Page 15

Bhutto man for trial

The former chief of Pakistan's Federal Security Force, known as the private army of the deposed Prime Minister, Mr Bhutto, has been sent for trial by the High Court of Lahore for contempt of court. Page 5

Test team unchanged

The selectors have chosen the 12 players who regained the Ashes at Headingley for the final Test match starting at the Oval on Thursday. John Woodcock, page 7

Public funds for TUC education plan urged

A big increase in trade union educational facilities is planned by the Trades Union Congress to cope with the expected large increase in the number of workplace representatives by the early 1980s. residential college will be necessary, the TUC says. The scheme would require substantial Government aid. Page 2

Tory hotel tax plea

A Conservative pamphlet suggests that hotels should be given the same tax and capital allowance privileges as industrial buildings. The pamphlet says Britain is the only EEC country not to allow an hotel as a charge against depreciation. Page 3

Mr Rees confident: The Home Secretary has listed 10 economic indicators as evidence of "the turning of the tide"

Move against MP: A motion to oust Mr Maurice Colquhoun as Labour candidate for Northampton, North, at the next election is to be debated tomorrow. Page 3

Space journey: America's Voyager is speeding away from Earth on its way to Jupiter and Saturn after overcoming difficulties

Lebanon deaths: The worst fighting since the civil war has left 17 people dead. Page 4

Sri Lanka: After the announcement of a 25-hour curfew there is a rush on foot-shops

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Basque invasion fails

French riot police yesterday confronted several hundred Spanish Basques who tried to march across the frontier to Hendaye in France in protest at the imprisonment in France of a Basque nationalist. Eventually they withdrew peacefully. However, there was violence during other weekend incidents. Page 4

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Letters: On "gentrification", from Mr William Bell and others; the rule of the Army in Ulster, from Mr Michael McNeill-Wilson, MP; an elected parliament for Europe, from Mr Christopher Mayhew and Lord Gladwyn. Leading articles: China; Policy for tourism. Obituaries, page 14. Granchio Marx features, pages 5 and 12.

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Verdon: Spreads out the Tories' tax credits scheme; John P. Blacksmith on the Thirlkill Tank and foreign policy; Profile of Len Murray by Brian Connell. Page 6.

Sport, pages 7-9. Cricket: Leicestershire lose by one run to Lancashire; Lancashire win by one run to Durham; Athletics: Two world records at student games; Rowing: Good start for Britain in world championships. Page 9.

Financial Editor: Institutional crash and the building societies; Monetary choices for the accountants; The question of foreign investment in Australian minerals. Page 10.

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HOME NEWS

TUC wants government help to finance big rise in trade union education for the 1980s

The Trades Union Congress plans a big increase in trade union educational facilities, including a new residential college and educational centre to train workplace representatives in the complexities of new legislation.

The general council believes that 180,000 training places should be available each year from the 1980s, compared with about 40,000 now, but substantial financial help will be needed from the Government to achieve that.

In July the TUC was "reluctantly forced to accept" a limit of £500,000 in grant aid from the Government towards the cost of trade union education. But "considerable additional funds" will be needed to run the new educational programme, the Trades Union Congress says in its annual report.

The report, which will be shared at the annual congress in Blackpool next month, shows that by the end of this year the TUC's usable reserves of funds will be exhausted. Next year the TUC will be depending at the rate of 3p a member above income and even with an increase in affiliation fees it is clear that the educational expansion programme can be accomplished only with the help of public money.

The annual report says the general council's education committee believes that by 1980 there will be 600,000 union workplace representatives, all of whom will need training.

A review of current trends carried out by the education committee indicated that the breadth of understanding and knowledge needed by union representatives had widened considerably because of changes in the law and the introduction of new legislation. It would mean a rapid growth in a short period of the number of union representatives who would require education and training.

The committee estimates that by the early 1980s workplace representatives such as shop stewards will have grown in numbers to 300,000; there will be 200,000 safety representatives; 100,000 union pensioners trustees and possibly some union representatives serving on boards of companies.

That would result in a total of 600,000 union representatives at the workplace at any one time. Assuming an annual turnover of 20 per cent, that would mean an influx of 120,000 new representatives each year.

"The general council considers that as a major priority workplace representatives need to be trained and they do not differentiate between representatives mentioned in any of the categories mentioned," the report says. "They should receive education and training provided by the TUC or the unions individually."

The report envisages an annual programme of 120,000 training places, with a further 60,000 places being made available each year to provide training for those who up to now have not had the opportunity to attend courses or for follow-up courses.

"On these calculations the general council took the view that 180,000 training places should be available each year from the early 1980s," the report says.

That would present the TUC and unions with problems. Most unions would find it difficult to expand their training programmes "without a large grant from public funds".

In addition to the increased training that will be needed for workplace representatives, the general council considers that developments in industrial democracy will emphasize the importance of trade union representatives having not only a sound understanding of trade union principles but also a good foundation in communications and analytical skills.

The general council had therefore proposed to the Government that funds be made available to establish a national residential centre for trade union education, and that "considerable additional funds" be made available to the TUC.

The report also emphasizes the TUC's own financial problems. A deficit in the administration fund of £200,000 at the end of 1975 had been reduced to £15,000 after the increase in affiliation fees from January 1, 1976. But in spite of cutting its expenditure on affiliation to the International Confederation of Trade Unions and reaching special agreements with the European TUC, the prospect was that by the end of this year the TUC's usable reserves would have been effectively exhausted. For that reason the general council is recommending another increase in affiliation fees of 3p (from 17p to 20p) from January 1, 1978.

BA forced to cancel 43 flights

By Alan Hamilton

Airline passengers travelling on one of the busiest holiday weekends of the year suffered another day of frustration at Heathrow and Gatwick yesterday.

Intending travellers found many flights, particularly to Europe, cancelled altogether, and some transatlantic journeys delayed by up to 10 hours.

British Airways cancelled 43 flights and predicted a similar curbing of services today. Flights to Paris, Amsterdam, Düsseldorf and Zurich were completely halted, and six long-haul flights were also abandoned. The airline said it was cutting back on business routes, but hoping to maintain flights to holiday destinations.

Travellers to Spain faced additional delays because of continuing industrial action by Spanish air traffic controllers, and some Mediterranean flights were up to four hours late in leaving. Incoming flights were seriously delayed, too, with one Heathrow arrival from Milan nine hours late and a charter flight from Chicago to Gatwick 10 hours late.

British Airways' domestic shuttle services were curtailed, with aircraft leaving only at two-hour intervals. All shuttle services ended at 5 pm.

After six days the cumulative effect of the traffic assistants' action was shown by some outstandingly late departures. A British Caledonian charter which should have left Gatwick for Hongkong with 100 passengers on Saturday evening did not take off until yesterday afternoon.

A temporary relaxation of the ban on night flying has slightly eased congestion at Heathrow, but most flights were still leaving between one and three hours late yesterday.

At Gatwick delays came down to half an hour by midday, but built up to four hours in the afternoon.

Heathrow and Gatwick handled about 135,000 arriving and departing passengers, but congestion in the airport terminal buildings was not as bad as had been expected.

At Heathrow passengers went on board their aircraft at the scheduled check-in times and waited in their seats rather than in the departure lounge, in case of an unexpected opportunity to take off. Passengers for Paris were taken by coach to Ramsgate to catch the hovercraft.

Move to settle 'FT' dispute

A fresh attempt to settle the Financial Times dispute over time off is to be made today.

The management and officials of the National Graphical Association are to meet at TUC headquarters to try to reach agreement. The newspaper has not been published since August 5.

Model plane death

Christopher Cook, aged 14, was killed yesterday when his model control-line aircraft hit a 12,000 volt overhead power cable in Winsford, Cheshire.

Cliff fall boy dies

Kevin Taylor, aged 13, an Army cadet, died after falling 50 feet from cliffs at Ilfracombe, Devon, on Saturday.

Correction

The results of a poll on political marches commissioned by Independent Television News from Opinion Research Centre were given in a special programme entitled "Levinism and Ladywood" — the dilemma before us, not on the Thames Television programme, today, as stated on Saturday.

Mr Rees's 10 causes for confidence in economy

By David Wood Political Editor

Furthering the Government's campaign for a third year of incomes restraint, Mr. Rees, Home Secretary yesterday listed 10 economic indicators that provided what he described as clear and comprehensive evidence of "the turning of the tide".

The 10 causes for confidence, he wrote in the Labour *Leeds Citizen*, were: public expenditure under control; reduced public borrowing; balance of payments moving into surplus; North Sea oil; interest rates at their lowest for four years; Government stocks selling well; share prices climbing; gold and currency reserves at record levels; the pound rising; and the annual rate of increase of the Retail Price Index falling.

All that did not mean Britain's economic troubles were over. Mr. Rees said it meant that the scene was set for a full-scale revival of the British economy. "We hold our nerve and take advantage of the tremendous opportunities now becoming available to us," he wrote.

But unemployment was intolerably high, industrial production stagnating and capital investment virtually dormant. "These weaknesses can be overcome only if the present early signs of recovery lead on to a planned and sustained period of economic growth."

He admitted that a number of things could still go wrong, but the factor that worried him most was the level of wage settlements in the course of next year.

Lord Peart, Leader of the House of Lords, said in *Kewick* yesterday that the British people now had a unique opportunity to build a prosperous future based on economic stability and industrial strength. Britain had been to the edge of bankruptcy, but there had been a remarkable transformation.

The British people now had a great opportunity to sustain growing strength and build upon it, both for themselves and for future generations.

"It could so easily be thrown away. The alternative, to long-term, steady progress is a few years of high living on the proceeds of North Sea oil. We have seen the effects of paying ourselves more than we earn. We have learnt the lesson."

Mr. Norman Fowler, Opposition spokesman on transport, said in *Sutton Coldfield*, after a study of police forces in EEC countries, that Britain should think carefully before banning political marches. That was a tactic of last resort and uncertain effect.

If a body of demonstrators ignored this but then confrontation became not less likely but more likely. As a general rule it was more sensible to permit demonstrations and to seek to control them.

To control violence on the streets, first the courts should crack down on moves from civil disobedience to acts of violence. Crime could not be excused by pleading political reasons.

Secondly, urgent attention must be given to the strength and morale of the police service. Almost every other nation in western Europe was giving priority to the police, and in the past two or three years Britain had gone against that trend. Some large forces were seriously under strength. The policy of neglect must be ended and the police given a better deal.

Peace Movement leader to complain to GOC on troops' alleged violence

Continued from page 1

They have ordered a private review of the behaviour of the soldiers involved in the searches.

Yesterday (yesterday) was added to the allegations by the intervention of Mr. Peter McLachlan, deputy chairman of the executive of the Peace Movement, and a former Unionist politician, who is widely regarded for his community work in Protestant and Roman Catholic districts.

In an interview with *The Times*, Mr. McLachlan disclosed that he is to protest to senior officers, including Lieutenant-General Sir David Hoare, the GOC, about the actions of troops in the estate.

Mr. McLachlan was present in the area during much of August 12, when more than 20 witnesses involved in the alleged Army violence. "I came across the worst situation in terms of community hostility that afternoon that I have witnessed here in eight years, and it seemed to me with good reason on behalf of the ordinary residents," he said.

With other leading community workers in Northern Ireland, Mr. McLachlan believes that the Army's harsh tactics in some areas are driving the Roman Catholic population into the arms of the Provisional IRA. Helped by his colleagues, he is determined to try to begin a public debate on the Army's strategy in the province.

"I understand the Army's position, their reaction to events and the need for soldiers to obey orders," he said, "but I am deeply concerned about the effect recent incidents have had on the many ordinary, decent people who live in Turf Lodge."

"If the Army is trying to split law-abiding people away from the violent minority, it should know that it is failing and that its activities are creating precisely the opposite effect."

One of the least publicity-conscious figures in the Peace Movement, Mr. McLachlan feels that citizens complaining about alleged Army excesses are too often dismissed as mere purveyors of republican propaganda.

"On August 12 in Turf Lodge the Army felt completely into the escalation trap set for them by the IRA, and it is something that must not be permitted to happen again," he said. "The long-term effects on parents and children can be very serious."

In the days since the worst incidents are alleged to have happened, I have spoken to several residents whose accounts have all been strongly critical of the troops.

Emotion in the estate is high and it is often impossible to gauge with accuracy whether a particular complaint is true. But the extent of feeling among ordinary Roman Catholics with no known connections with either wing of the IRA is undeniable and reinforces repeated allegations on the estate that some soldiers "went berserk" in the wake of Marine Bewley's murder and other attacks.

Everyone I spoke to refused to allow their names to be printed for fear of retaliation by marines who are still responsible for patrolling the estate. One schoolboy, aged 13, said: "At one time I saw soldiers run up shouting to the door of an old lady's house and

start beating it down with the ends of their guns before waiting for her to open it. After they had searched it, and wrecked the interior, they dragged her out, laid her on the road and left her there."

The boy, who lives in Ardmore Gardens, which is near where Marine Bewley was killed, and is one of the streets regularly searched by troops, added: "When the 'Brits' are out there they will not even let you look out of your own window."

"If you are in the street and you try to talk to them, or ask what is happening, they shout at you and use filthy language. The whole place is very frightening because you have no idea who they will pick on next."

Establishing the truth of the day's events is almost impossible because even those who saw a particular incident often find their recollection blurred by their beliefs and by the tension of the moment. There is also a danger that retrospective accounts can be coloured by hearsay versions quickly accepted as fact.

But this time resentment has reached an unusual pitch. There is a fear that tension on the estate could spread, playing into the hands of the Provisional IRA in other parts of west Belfast.

Police files stolen: A gang of 10 armed men, thought to be members of the Provisional IRA, stole files from a police station in the Irish Republic yesterday (the Press Association reports).

A policeman was slightly injured when he was hit over the head with the butt of a gun in the raid at Carrigan, Co. Donegal, four miles from the border with Ulster. Uniforms were also taken.

Foreign students in Britain 1: English language schools

Competition between home and continental organizers

In the first of two articles on foreign visitors coming to Britain this summer for educational courses, Ian Bradley reports on English-language schools.

Not all the 4,500,000 foreign visitors to Britain this summer are here for fun. A sizable proportion have come to improve themselves. They are to be found daily in school classrooms, public halls and hotel rooms earnestly studying English language and culture.

English-language courses are by far the most popular form of educational activity to bring foreigners to Britain during the summer. They are run by language schools, special summer course organizers, and overseas organizations which bring students over in comprehensive package deals.

Most of those attending summer English language courses are schoolchildren. About 60 per cent of them come from Europe, with Germany and Switzerland the front runners, 30 per cent from the Middle East, and 10 per cent from the Far East, principally Japan and Thailand.

As British Rail Southern Region commuters know to their cost at this time of year, the language school belt stretches across South-east England, with a particularly heavy concentration in the south coast resorts.

Between July and September language schools, which operate fairly quietly throughout the rest of the year, raise their prices, take on extra students and pack in as many children as they can.

One typical school in Eastbourne normally catering for about a hundred pupils has 600 on courses this month. It has pressed into service church halls and even a room at the back of a public house.

The programme of summer English-language courses tends to follow a standard pattern. There are three hours of lessons in the morning, concentrating on spoken English and comprehension, sometimes with a look at English literature and British life and institutions thrown in.

The afternoon is given over to sport and organized excursions to state homes and castles. Some enterprising course organizers provide such typically English delights as picnics on the South Downs and country dancing.

Most of those attending English language courses are schoolchildren. They pay between £18 and £30

a week for a single or shared room, breakfast and evening meal through the week and full board at weekend. This is in addition to tuition fees of about £25 a week.

Students often board a long way from the town centres where they are taught during the day. That can lead to difficulties with local people, particularly over crowding on buses in peak periods.

It is in the evenings that friction between foreign students and local people is most likely to develop. Many language schools close at 5.30 pm and, as one principal put it, "the students are then let loose on the fleshpots of Eastbourne". There have been some nasty fights after quarrels over local girls.

But usually the most heated arguments arise over the British habit of queuing. One language school warns its pupils: "The English queue may be sheep-like, but it is also fair. If you find someone else jumping the queue and taking your turn, the phrase is, 'Excuse me, I think I was next'."

A growing number of language schools provide residential accommodation for their students. That has the considerable advantage for anxious parents of ensuring close supervision. One school in Sussex, which runs summer courses for £65 a week all in, has bars on bedroom windows and a securely locked door separating the girls' quarters from the boys' to prevent any midnight assignments.

One of the largest Eastbourne language schools has this year started running residential summer courses in the town's teacher training college and in a local preparatory school.

Summer English language courses have grown so rapidly in number in the past few years that they now have their own association, the Federation of English Language Course Organizers (FELCO), set up in 1972 and with a permanent office and secretariat since the beginning of this year.

FELCO has 42 members running courses in 140 centres, representing only a small fraction of the total number of organizations running summer language schools.

The largest foreign company in the field, EF Student Service Ltd, which started in Sweden in 1963 and is now under Dutch ownership, is bringing 27,000 students to Britain this summer, nearly half of them from Germany.

A Danish company, Tjæsborg, has about 11,000 Scandinavian students coming for

English language courses: there are other large operators based in Sweden, Italy and France.

Once again, south coast resorts generally have to face invasion, with Torbay a particular favourite of the Continenters. The students' boarders, out with local families and offering morning lessons in local dialects, are a sight to behold.

Proprietors of English language schools and Br summer course organizers complain that Continental tourists' unsupervised student around in gangs and give whole summer language course business a bad name. More the point, there is annoyance that the foreign firms offer counts at shops and high to host families and so make more difficult for British schools to find homes for students.

Certainly the accent of foreign-organized summer courses is more on holiday on study. EF proudly boasts that this year it is laying free discs, six nights in 12 of its course centres, summer course war between British and the Continent heating up, but this summer there is certainly plenty of business for both.

Next: University schools



The Marie Antoinette connexion: An aerial view taken soon after the completion in 1927 of Node Dairy, near Codicote, Hertfordshire, which is to become a craft centre. A grant of £63,099 has been made under the job creation programme to restore the building to its former state and convert it into 18 workshops. The scheme will provide a year's work for 21 people, who will repair the building, based on the design of the dairy at Versailles built by Marie Antoinette. Node was the idea of Carl Holmes, an American millionaire. Since 1938 the circular building, which is believed to have the largest thatched roof in England, has fallen into disrepair.

MP backs call to vet death-pill TV film

Mr Robert Hicks, Conservative MP for Bodmin, last night supported a demand for a panel to preview a television documentary about the case in which a woman was jailed for trying to persuade her mother to commit suicide. It is due to be shown by Yorkshire Television on Wednesday.

Mrs Yolande McShane, aged 61, was jailed in February at Lewes Crown Court for two years. Her mother, Mrs Edith Mott, was aged 86 and in a nursing home at Burgess Hill, Sussex, when her daughter tried to persuade her to kill herself. Mrs Mott died last week.

Mr Hicks, whose constituency includes the Cornish village of Looe, where the McShanes live, said the programme should be examined before it was transmitted.

Mr Michael Deakin, executive producer of "The Case of Yolande McShane", said the demand, from Mrs McShane's

husband, George, aged 61, would be examined. But he added, Mr McShane had no standing in the matter. "His wife is under contract to Yorkshire Television," he said. "He will not appear in the programme."

Mr McShane has asked Lady Plowden, chairman of the Independent Broadcasting Authority, to show the film to the Bishop of Truro, the Right Rev Graham Leonard, Mr Hicks, and the Rev Humphrey York, Mr McShane's vicar.

The programme includes film of Mrs McShane offering lethal tablets to her mother. It was taken by police who hid themselves in the nursing home. At one point Mrs McShane is heard telling her mother that euthanasia "is bound to come".

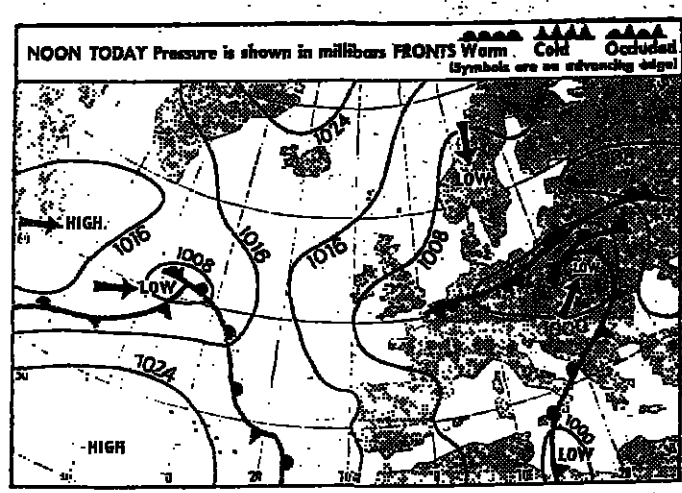
Mrs McShane was said at her trial to have wanted to inherit money to help with debts of more than £200,000. When Mrs Mott died, she left Mrs McShane £40,000.

Shop stewards advised to show courtesy

The Transport and General Workers' Union has told its 40,000 shop stewards that toughness must never be confused with noisiness when negotiating pay and conditions with management. A handbook for shop stewards, written largely by Mr Jack Jones, the general secretary, says: "The workers' strength does not lie in lung power, it lies in a good case, skillfully presented, backed by solid organization."

Workers, the handbook states, "lightly demand respect, courtesy and consideration. They too should show courtesy to management."

Weather forecast and recordings



Today

Sun rises: 5.37 am, 8.9 pm
Moon rises: 2.53 pm, 12.2 am
First quarter: 2.4 am
Lighting up: 8.39 pm to 5.25 am
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WEST EUROPE

Angry Basque protest at holding of terror suspect in French jail

From Harry Debeilus
Madrid, Aug 21

Agitation for the release of a Basque activist imprisoned in France continued in the Basque provinces of Spain today during a weekend of violent clashes between demonstrators and police.

There was a new demonstration in San Sebastián today, as crowds joined about 100 people coming out of a church on a night of prayer. Similar protests took place over the weekend in other Basque towns, and some protesters took part in a hunger strike. At the Maritane prison in San Sebastián, four political prisoners joined the hunger strike.

About 20,000 people took part in a march last night on the French consulate in San Sebastián, where leaders of the demonstration presented a written protest for the release of a Basque activist, Miguel Angel Apalategui, under arrest in France in connection with the kidnapping and murder of a Spanish millionaire earlier this summer.

At least 12 people were treated for injuries as a result of that demonstration, the second in two days in San Sebastián. In the first, on Friday night, five people were injured. Police used rubber bullets and smoke grenades to disperse demonstrators last night.

Authorities cancelled services on some city bus routes last night after rioters commandeered buses and parked them across streets to form barricades, smashing their tyres so they could not be moved easily. Some private cars were said to have been overturned or set on fire and a number of shop windows were smashed, either by demonstrators or by rubber bullets fired by police.

The violence has been denounced by spokesmen for Socialist and Christian Democratic political parties.

In Barcelona, an anonymous

The liner France may become Saudi hotel

From Charles Hargrove
Paris, Aug 21

The former transatlantic liner France, which has been laid up at Le Havre since October, 1975, on offer to the highest bidder, may become the property of a Saudi Arabian company. It would become a floating hotel and restaurant.

M. Jean-Pierre Bourcade, the Minister for Equipment, said on Radio Luxembourg today that negotiations were in progress with this company but that press reports that agreement had been reached were premature.

The Compagnie Générale Maritime, the former French Line, said more than 100 offers had been made for the liner in the past 18 months, but of them leading to serious negotiations. Brazilian and Hong Kong companies had made bids.

Any hopes that the liner can revert to its former role and operate a regular passenger service are ruled out by the French authorities. Its operating costs are far too high, and it is not convertible to cruises or mass passenger traffic. It was conceived and built exclusively for well-heeled passengers on the North Atlantic route.

Two successive death blows were the devaluation of the dollar in 1972 and the quadrupling of oil prices.

Now moored in a remote part of the commercial docks of Le Havre, the once pride of the French flag is a huge white elephant which it would be glad to be rid of. The cost of upkeep last year amounted to 9.6m francs (about £1,300,000).

Prince of Wales in French polo defeat

Deauville, Aug 21.—The Prince of Wales was on the losing side when he played for the French Blue Devils polo team today in the final of the French polo championship.

OVERSEAS



Dr Elliott Gaballah (right), who resigned yesterday from the United African National Council, in Salisbury at the weekend with the Rev Ndabaningi Sithole, whose movement he is thought likely to join.

Slaughter of 16 Africans on farm

Continued from page 1

and businessmen and politicians with which it can negotiate.

Bishop Muzorewa, who has stated that he is interested only in an international settlement in accordance with the Anglo-American initiative, is still abroad after his meeting in London earlier this month with Dr Owen, the Foreign Secretary, and Mr Vance, the United States Secretary of State.

The massacre of the 16 unarmed civilian black farm workers occurred yesterday while they were indulging in a "beer drink" in their farm compound after work. Another 15 were wounded.

A police detective, Mr Peter Kok, told reporters taken to the scene that two separate groups of terrorists mounted the attack, one group hurling grenades and firing at the house of the farm owner, Mr Marcus Sleigh, the other attacking the labourers' compound half a mile away.

African families were dragged out of their huts, he said. Some managed to escape into the cotton fields and bush. The others were set on fire.

Mr Sleigh, who was born in South Africa and has farmed in various parts of Rhodesia for 47 years, said he had extremely good relations with his labouring staff and many of them had worked with him for nearly 20 years.

Yesterday's massacre was the third big one in the area. Last year 27 black tea estate workers were killed after ignoring guerrilla warnings not to work on the estate. Then, last month 23 black villagers were burnt alive in their huts.

One of yesterday's victims was a pregnant woman. Another was a girl aged eight who suffered a bullet wound in the leg and dragged herself two miles into the bush before being found 12 hours after the attack.

Military headquarters also announced today the deaths of 16 guerrillas and "five civilians running with and actively assisting terrorist gangs" in recent actions by security forces. No details were given.

The communiqué added that another guerrilla was killed in a clash on August 18 and that a district security officer had recently been killed by infiltrators. Again, no details were given.

Dar es Salaam, Aug 21.—President Nyerere of Tanzania said yesterday that Britain, the United States and the African "front-line" states are now agreed that the Rhodesian Army would be dismantled as part of a settlement.

In Salisbury there was no official comment on this statement. Mr Jan Smith has repeatedly denied any suggestion that the white-ruled forces would be done away with or radically altered.—Reuter.

Israeli Cabinet defends right of settlement

From Our Correspondent
Tel Aviv, Aug 21

The Cabinet issued a statement today defending Israel's right to start Jewish settlements concurrently with peace talks with the Arabs.

The official statement, made after the Cabinet's weekly meeting in Jerusalem, strongly took issue with criticism by Mr Rodding Carter, the American State Department's spokesman, of Israel's decision last week to start three new Jewish settlements in the occupied West Bank, a conspicuous ignored criticism by Europeans and Arabs.

The statement said that the original decision to start the settlements had been taken on April 19, when the Labour-led Government was still in office, and it called Mr Carter's comment "unfounded".

"Israel does not accept and cannot accept the assertion that settlement by Jews in the land of Israel is illegal," it stated.

"The Government of Israel reiterates that settlement does not and shall not constitute in any sense an obstacle to negotiations for peace treaties."

The Cabinet also approved a one-day visit to Britain by Mr Moshe Dayan, the Foreign Minister, to report to leaders of the Jewish community on the recent talks with Mr Cyrus Vance, the American Secretary of State.

CAIRO: Egypt has started consultations with Arab and other countries on Israel's decision to establish the three new West Bank settlements, and on the Middle East in general, the newspaper Al-Ahram said today.

NEW YORK: Mr Vance was told by Egypt, Syria and Jordan during his recent Middle East trip that they were willing to sign peace treaties with Israel as part of an overall Middle East settlement. The New York Times reported today. Egypt and Jordan said also they would consider an American proposal that they also establish diplomatic relations with Israel. It added.—Reuter.

Voyager overcomes faults and heads for Jupiter

From Michael Binyon
Washington, Aug 21

America's Voyager spacecraft is speeding away from the Earth today at the start of its long journey to Jupiter and Saturn, having overcome a number of difficulties that developed after its launch yesterday.

Soon after lift-off from Cape Canaveral, it appeared that its five most important measuring instruments had not deployed properly. The first signs reaching Earth were that the 6ft long instrument boom was jammed against the side of the spacecraft.

One of the three gyroscopic guidance and navigation systems also appeared to be malfunctioning.

By yesterday evening, however, engineers were much happier. Although the boom still had not locked into place, it has extended to within a few degrees of where it is meant to be; and all three stabilizing gyros turned out to be working properly.

There is a small difficulty still with one of the computers which switched itself off at launch, but this is now having its memory checked by the builders of the spacecraft at Pasadena, California. No further manoeuvres will be attempted until the computer is found to be working.

The actual launch, using a Titan Centaur rocket, was flawless.

The 1,300lb spacecraft launched yesterday was designed to visit Jupiter and Saturn. Although the craft was launched first, it is to travel a faster trajectory and reach Jupiter in March, 1979, four months ahead of Voyager 2.

On the off-chance that either of the spacecraft will one day bump into some intelligent being as it wanders into outer space, Voyager 2 took with it yesterday a special 12-inch copper phonograph record of sounds of the Earth, messages from President Carter and Dr Waldheim, Secretary General of the United Nations, and diagrams and pictures of the Earth's biology and geology.

Private service in memory of Groucho Marx

From Our Own Correspondent
Washington, Aug 21

As an avalanche of tributes to Groucho Marx, the comedian, poured in from American show business personalities, a private memorial service was held today in Los Angeles at the home of his son Arthur.

Details of the funeral of Mr Marx, who died in hospital on Friday at the reputed age of 86, have not been released, as the request of the family, to avoid publicity, although Mr Marx once said he wanted to be "buried near a straight man".

One friend has recalled that on his eighty-second birthday Mr Marx was asked how he wanted to be remembered. "Alive, if not that way, then dead," he replied.

Obituary, page 14

17 die in Lebanon's worst clash since civil war

Beirut, Aug 21.—At least 17 people were killed and many more wounded today in an outbreak of fighting between Christians and Muslim-Druse villagers in central Lebanon, police said.

Most of the deaths occurred when the Arab League peace force, dominated by Syria, intervened to stop the fighting, and fired rockets into the village of Brith, killing 12 people, they said.

This was the worst fighting between Christians and Muslims since Lebanon's 15-month civil war was ended last November by Syrian military intervention.

The fighting reportedly began in the mixed Christian-Druse village of Brith, 15 miles southeast of Beirut, when Christians attending a funeral started firing in the air, a traditional Lebanese sign of mourning.

The Druse villagers "were provoked by the firing" and fighting ensued in which three people were killed, the police added. Arab peace force troops rushing to Brith were fired on and returned fire, shooting rockets at the village.

In an apparent effort to prevent panic, the police and the Arab peace force denied the most serious of the fighting for most of the day. The confirmation came late at night, when most people were at home.

Immediately after the fighting peace force reinforcements, mostly Syrian, were put throughout the Chouf Mountain region behind Beirut.

The last flare-up in the Chouf region was last month, when the assassination of Kamal Jumblatt, the hereditary chief of the Druse sect—AP.

Ethiopian leader fears for country's survival

From Charles Harrison
Nairobi, Aug 21

Lieutenant-Colonel Mengistu Haile-Marism, the Ethiopian military leader, admitted today that the forces of "Somali" and "Siyaad" were mobilizing in an effort to overcome the assaults on his regime, that Ethiopia was fighting for its existence after suffering severe reverses on a range of different fronts.

The main force of his speech, delivered on radio and television, was directed at Somalia. He called on President Barre to "heed Mussolini's history and fate" and immediately withdraw his troops from Ethiopia.

In reports today of the recent heavy fighting round the town of Dire Dawa, an important industrial centre on the Addis Ababa-Djibouti railway, the Ethiopian news agency claimed that heavy ground and air attacks had been repulsed, that large numbers of Somali prisoners had been taken and much war material captured.

In his colourful speech, Colonel Mengistu spoke of an open war of aggression and admitted that large areas had been occupied by "secessionist traitors" in Eritrea, the Ogaden and elsewhere. He called for general mobilization, because "war fronts are being opened against us from every corner" in a "coordinated conspiracy" aimed at obliterating Ethiopia.

He said Somali aims were not restricted to Ethiopia but included Djibouti and parts of Kenya.

"Our regular and militia forces are engaged in a life-and-death struggle in the areas of Dire Dawa, Harar and Jijiga. We have conclusive proof that the eastern and northern war fronts, as well as

Desert experts draw up plan to stop land loss

From Our Correspondent
Nairobi, Aug 21

Fifty scientists and administrators including representatives of the British, French and American associations for the advancement of science, start a week's seminar here tomorrow in preparation for the first United Nations Conference on Desertification (UNCOD).

The seminar aims to provide a scientific background for the full conference by identifying and agreeing on a range of critical indicators to determine where and to what extent desertification is taking place.

A preliminary list of indicators was drawn up at a seminar in the United States in June. This will now be revised. The main categories identified in June were physical indicators (rainfall, soil erosion, salinization, soil erosion), bio-agricultural indicators (plant species distribution and frequency, biomass productivity, soil fertility and indicators of human being (migration, nutrition, population structure, biodiversity).

Three places will then be selected where these indicators will be tested and proven that a full report can be prepared early next year.

The seminar will also review the final draft of the plan of action drawn up for the conference, with a view to filling any critical gaps in it. The eventual objective is a world plan of action to combat desertification, a disastrous six-year drought of the Sahel, the southernmost of the Sahara, brought the famine into being.

More than a third of world's land surface is desert or semi-desert, conference organizers point out. One estimate is that 14 million hectares of fertile land are being lost year to year to desert encroachment.

Anniversary call for release of Charter 77 men

Prague, Aug 21.—The ninth anniversary of the Soviet-led invasion of Czechoslovakia passed quietly today, although an appeal was made for the release of "political prisoners".

The emergence this year of the human and civil rights manifesto Charter 77 has made it clear that the reformist experience of 1968 is not forgotten. Some charter advocates are in jail, while others are in the limelight.

Their statement mentioned eight men who, the signatories said, faced criminal charges just for acting according to their conscience.—Reuter.

Check on Cart bills for flights in bank's aircr

From Our Own Correspondent
Washington, Aug 21

The White House has closed the books on the Carter administration's records are checked to see if the National Bank of Georgia has been bailed for two campaign board an aircraft belonging to the bank, then headed by James H. Carter, who is now Budget Director.

Mr Jody Powell, the bank's spokesman, said it was only a question of a few dollars, but that if it was any doubt "it would our inclination to go ahead."

If the bank had allowed Carter to travel free on one of its aircraft it would have violated the federal elaw. If Mr Carter failed to report the value of the campaign contribution lawfully accepted by the business corporation, he also have violated the el law.

Bank officials in Atlanta been questioned about flights by investigators from the Controller of Currency, but the bank directors there were no legal problem.

Minister to rule on Briton extradition

From Our Correspondent
Athens, Aug 21

The final decision on extradition of Frank Mr. Briton wanted both in Greece and Britain, rested in the hands of the Greek Minister of Justice today.

The Greek judiciary's final extradition case completed yesterday, when the Supreme Court upheld the decision of the Athens Appeal which granted the extradition requests of both countries. Courts left it to the Minister of Justice to decide on precedence should be given to Britain or Greece.

Mr. Briton, who has been himself in court as a dealer, in connection with a \$250,000 jewelry fraud, was a robbery victim of a West End branch of the American Express Co. in London, and a victim of a Chelsea antique shop.

The Austrian government questioned his extradition in connection with an armed robbery in Vienna.

The Justice Minister's decision was not expected to be a seven-month prison term, ensuring Greece under the extradition law, and the ruled that he must continue to serve his sentence.

Dutch Cabinet talks hinge on abortion reform

The Hague, Aug 21.—Dutch political leaders meet here tomorrow for crucial talks aimed at averting the threatened collapse of efforts to form a centre-left coalition Cabinet by resolving their differences over the abortion law reform.

A deep division on how to handle the abortion reform between the Labour Party and the Christian Democrats brought the two parties to the verge of failure.

The Prime Minister, who has been trying to form a new government since the general election three months ago, will meet Mr. Andriessen van Agt, the Christian Democratic leader, and other leaders tomorrow.

The Labour Party and Democrats 66, the third party involved in the coalition talks, want abortion to be available on demand, subject to medical safeguards, while the Christian Democrats are pledged to allow it only if the mother's physical or mental health is at risk.—Reuter.

Bonn call to change law on force-feeding of prisoners

From Gretel Spitzer
Bonn, Aug 21

The hunger strike of 40 jailed terrorists, of whom about 15 are forcibly fed, has given rise to demands to change the law on prison force-feeding along British lines.

Herr Peter Haberer, a CDU member of the Rhineland-Palatinate legislature, has also come out in favour of changing the law.

This, however, could lead to the death of several terrorists on hunger strike and this, in turn, could lead to more terrorist action, as anonymous threats have predicted. Such threats were taken very seriously, Herr Dieter Posser, Minister of Justice in North-Rhine Westphalia, said on television today.

The cost of keeping terrorists on hunger strike alive is, according to Herr Haberer, extremely high. He has learnt from the Rhineland-Palatinate Government that more than DM1m (£250,000) were spent on keeping two terrorists—named as Klaus Jurschke and Wolfgang Grunwaldt—alive in an extensive care unit of Mainz university clinic.

'Kappler protest' bomb damages Italian consulate

Paris, Aug 21.—A bomb exploded at the Italian consulate here during the night in an apparent protest against Italian attempts to extradite Herr Herbert Kappler, the escaped Nazi war criminal, from West Germany.

The bomb broke windows and damaged the consulate's front door but injured no one, a spokesman said. Pamphlets were later found in the letter box signed "SS France" claiming responsibility for the blast and expressing sympathy for the 70-year-old former Nazi colonel.

Herr Kappler, who is said to be dying of stomach cancer, was smuggled by his wife from a Rome military hospital last week in a trunk. He was serving life imprisonment for the reprisal shooting of 335 Italians in 1944.

Palmi, Italy, Aug 21.—Two petrol stations belonging to a West German company were blown up here today in an apparent protest against the escape of Herr Kappler. An anonymous telephone caller claimed the attacks were carried by the New Parisian Movement "in protest against Herr Kappler's escape.—Reuter.

Lisbon journal sued over Swiss bank deal story

Lisbon, Aug 21.—Portugal's Socialist Government has filed a criminal complaint against the leading independent weekly Expresso accusing it of reporting falsely that a "member of the Government" tried to change 7m escudos (about £106,000) in a Swiss bank.

A Cabinet statement, read on television at a peak viewing time last night, said the alarm caused by the story in the newspaper which has a circulation of 70,000 had contributed directly to speculation against the escudo at home and abroad.

The statement said Expresso had failed to produce even the shadow of a fact to back up the sensational allegations.

The newspaper to identify the person involved.—Reuter.

Jail and flogging for attempted rape in emirate

Abu Dhabi, Aug 21.—A Pakistani convicted of attempting to rape a minor has been sentenced to be flogged, jailed for two years and expelled from the United Arab Emirates, judicial sources said here today.

They said a sharia (Muslim religious) court had originally sentenced the man, Fadhul Hanan, to 60 lashes and three months' jail. In the review stage, the jail sentence was increased to two years' imprisonment in addition to the lashes.

The sources also said that a Lebanese rapist, Hassan Abdul-Majid, sentenced earlier this month to be flogged in public and to be jailed for 12 years for assaulting two foreign women, had appealed against his sentence.—Reuter.

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Three places will then be selected where these indicators will be tested and proven that a full report can be prepared early next year.

Manila place law co

Manila, Aug 21.—The Philippine Supreme Court today ruled that the government cannot sue a private company for damages caused by a fire in a building owned by the company.

Mr I

The Greek judiciary's final extradition case completed yesterday, when the Supreme Court upheld the decision of the Athens Appeal which granted the extradition requests of both countries.

Mr I

The Greek judiciary's final extradition case completed yesterday, when the Supreme Court upheld the decision of the Athens Appeal which granted the extradition requests of both countries.

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Mr Vance's China visit raises Taiwan spectre of US abrogation of security pact

from Peter Hazelhurst

Aug 21
There was growing apprehension in Taiwan over the weekend as Mr Cyrus Vance, the American Secretary of State, set out to make his first visit to Peking.

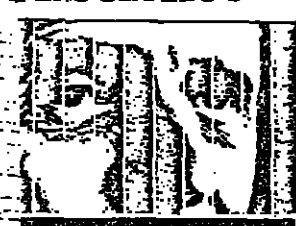
Reflecting the fear that the United States will inevitably establish diplomatic relations with Peking and abrogate its 20-year-old security pact with Taipei, a spokesman for the Taiwanese Government issued a terse statement yesterday: "The Government of the Republic of China has issued a statement expressing its firm and unshakable commitment to the United States and the United States and the United States stand remains unchanged."

Concern in Taipei over the visit of the American Secretary of State was compounded by the fact that Mr Vance failed to mention Taiwan in a major speech on Asia earlier this summer.

During the past week the visit in Taipei has been dominated by letters of protest and major newspapers have ordered their columns to carry editorials on Washington's new policy of détente.

Experts draw stop land loss

Prisoners of conscience



uba:
igel Cuadra
ndrove

for Angel Cuadra Land is a Cuban lawyer well known in his native country as a human rights activist.

He went on trial in May, 1967, for a military tribunal, charged with activities against the government and sentenced to 15 years in prison.

At the time of his arrest he was a legal adviser to the Cuban Ministry of Education, and had been active in human rights activities in Havana.

At the time of the Cuban revolution in 1959, Cuadra was a supporter of Dr. Castro. But he became disillusioned when he saw that the revolution, which he had hoped would bring about a more just and democratic society, was becoming increasingly authoritarian.

An offence for which he was sentenced to 15 years in prison, he has remained in prison since then. He is connected with the Cuban human rights movement and has been active in the struggle for the release of political prisoners in Cuba.

A number of political prisoners in Cuba are unconfirmed to be held in the country. These are full of several categories: religious and political prisoners, and there are also prisoners of conscience who are members of political groups which come into conflict with the government.

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Mr Cuadra, a former minister of education, was arrested in 1967 and sentenced to 15 years in prison. He is now in the hands of the Cuban government.

Mr Cuadra, a former minister of education, was arrested in 1967 and sentenced to 15 years in prison. He is now in the hands of the Cuban government.

America's détente policy could touch off a chain reaction. The arguments range from the subject of the West's economic interests in Taiwan to the question of freedom of navigation in the Taiwan Strait.

Recent remarks by both President Carter and Secretary of State Vance have stirred up uneasiness, but not fear among the 16 million people in Taiwan. Indignation is the prevailing mood. The fact that Taiwan's security depends heavily on the support of the United States has led to feelings of helplessness if Washington should decide to write off Taiwan in favour of Peking (Peking). There is nothing one can do.

In an attempt to boost morale the newspaper, reflecting the imagined or real hopes, pointed out that Washington's political, military and commercial relations with Taipei will not permit easy change.

Western businessmen claim that if an argument can sway President Carter's administration in favour of Taiwan it is economic considerations. American investments in Taiwan amount to \$300m (228m) and the United States has enjoyed a \$1,200m surplus in its balance of trade with the island last year.

At the same time Chinese economists here point out that two-way trade between the two countries reached a record of \$4,800m last year—three times larger than the United States' commercial links with the Soviet Union and 12 times larger than that with Communist China.

Setting out another argument, officials and the Taiwanese press have earned the American Embassy in Taipei that any decision to withdraw troops from South Korea and abandon

Taiwan will expose Japan, the United States' major ally in the region, to severe security risks. It is clear that even if Washington took the inevitable step in the distant future, Taiwanese officials do not see an immediate military threat from the mainland.

"We do not think that Peking would risk an immediate military adventure that could disrupt its relations with the United States. But what we fear is slow strangulation, possibly through an economic blockade," a Taiwanese official explained.

Taipei, Aug 21.—Mr Vance made final preparations tonight for his talks with Chinese leaders. He is due in Peking tomorrow morning, after an overnight stop in Japan.

Mr Vance was escorted to the Tokyo hotel by Mr Mike Mansfield, the American Ambassador to Japan, with whom officials said he was having informal discussions on his Peking mission.

The talks in Peking will be the first high-level contact with China since President Carter took office in January. Mr Vance said recently that he will discuss a broad range of issues but progress towards further normalization of Sino-American relations "may not be easy or immediately evident."

On the eve of his trip, officials in Washington said the Carter Administration remained committed to eventual normalization but this could not be at the expense of abandoning Taiwan.

Mr Vance was not meeting any Japanese leaders tonight, but will brief Mr Fukuda, Prime Minister, and Mr Ichiro Hatoyama, the Foreign Minister, on his Peking talks during a stop-over here next Friday on his way home.—Reuters.

Leading article, page 13

Polar icebreaker reaches clear water

Moscow, Aug 21.—The Soviet atomic-powered icebreaker Arktika, which last week became the first surface vessel to reach the North Pole, today cleared the last ice floes on its voyage home to the port of Murmansk and sailed into the Barents Sea, Tass reported.

It said the 1,200-mile journey, lasting seven days, had opened up wide prospects for navigation across the North Pole, which had become a reality with the introduction of such vessels.

The Arktika emerged from the ice at the 80th degree of latitude, east of Franz Josef Land. When it reaches Murmansk it will discharge its scientific crew and set sail again for ice-breaking duties on the shipping lanes along the northern coast of the Soviet Union.

In an earlier interview on board the icebreaker, Mr Timofei Gushenko, the Merchant Marine Minister, predicted that the lanes would soon be replaced by more direct ones through the ice of the Arctic Circle.

Tass said that the Arktika's voyage, which took one third the planned time, showed wide prospects for Arctic navigation across the North Pole.

The news agency reported from Leningrad that shipyard workers, inspired by the Arktika's voyage and by the 40th anniversary of the Russian Revolution in October, have promised to complete their testing of the new atomic icebreaker Sibir before November.

Tass said the Sibir, which is already afloat, incorporates improvements over the Arktika, primarily in providing better living conditions for the crew.—Reuters and AP.

Capture of top drugs man claimed

Bangkok, Aug 21.—Police have arrested a man believed to be one of the biggest narcotics traffickers in Thailand, police said today.

They said Su Wen Fu, arrested after a police raid at his house yesterday, was one of 12 top drugs dealers named by a United States congressman, Mr Lester Wolff, chairman of a committee on drug abuse, in the American Congress earlier this year.

Police said Mr Su had on him and in his car about \$12,000 (£7,000) in cash and cheques, a pistol and six small plastic containers with heroin in them.

Hundreds of kilograms of narcotics seized in recent months are to be burnt publicly tomorrow. Dozens of arrests have been made this year by narcotics agents. A Bangkok-based Chinese-Lao origin was summarily executed.

But the source of the drug traffic, the "golden triangle" between Laos, Burma and Thailand, is remote and a prey to various armed struggles, impossible to control. Narcotics agents here said also that more than 600 kilograms of raw opium were recently shipped to Vietnam, not several hundred kilograms of heroin, as claimed by a British newspaper recently.—Reuters & Agence France-Press.

ho. This morning he visited the outskirts of the city. No newspapers were published today, but the radio broadcast frequent warnings that curfew breakers or arsonists were liable to be shot and "rumour mongers" would be arrested.

The curfew was imposed after a deterioration in the security situation with attacks on shops, provoked by unfounded rumours that Sinhalese and Buddhist temples in the mainly Tamil north had been attacked.

The only relaxation of the curfew was for the Hindu festival of Ganesh, where the historic Parahura (procession) was held.

Radio messages have called on reservists to report for duty and about 20 people, including a 35-year-old man, were arrested. Previous government, have been detained or are under arrest. Police are combing shanty settlements and taking known criminals and troublemakers into custody.

"nervous" about going to Haiti, traditionally one of the most brutal regimes in the world. But he was somewhat cheered by a promise from President Jean-Claude Duvalier, son of the infamous late dictator Papa Doc, to release some known supporters of the previous government.

In Mexico City, he was received more coolly than he expected because of President Carter's latest suggestions for punishing illegal immigration. The Mexican Government has protested strenuously about the idea of tightening border controls.

Young has brought back from his Caribbean visit is the importance the region attaches to the new Panama Canal treaty, which would gradually transfer control of the waterway from the United States to Panama. He and his advisers are reported to believe that failure to ratify the new arrangements—which require congressional approval—would be a disaster for America's future relations with the Caribbean.

A Times Profile

Len Murray: a life in the movement

As believes an estate of the realm, the headquarters of the Trades Union Congress differs little from a modern merchant bank or ministry—oak panelling rather than mahogany, the conscious employment of immigrants and the handicapped on the staff, even a large Epstein sculpture in the courtyard.

The Rt Hon Lionel Murray—"Len" to his friends and adversaries—the TUC General Secretary, has a spacious, airy office on the fourth floor, with picture windows and flower boxes in front. He is a man who has given up chain-smoking cigarettes. What does his organisation have in store for free collective bargaining and the 12-month rule?

"I can tell you more about that after Congress in September. This year's Congress is going to be very important. In the last Congresses there's been a wrong lead from the platform and there's been a strong response from the Congress itself. The response was more predictable in 1975 and in 1976 and this year it is not quite so predictable. The role of Congress is different every year but this year it is a matter of listening very carefully, not just to the top but to the whole feeling. Subject to that I am optimistic."

"The fact that there's been this very strong response on the 12-month rule, with some people chiselling round the edges, is not surprising to me because I would say it's surprising to some of your people—if you've made an agreement you stick to it. I know that rule is broken from time to time, but in the AEU there's been agreement there that the agreement made last September is going to be kept equally there and there will be pressures, very strong pressures on the people who've got to make it stick. If others will feel 'how can we be left out?' If some of the new settlements coming through are very large indeed then the people who signed last November, or indeed last May or June, are going to feel 'well, we can't live with a situation where big settlements are being made and we've got to hold on to the 5 per cent basis for another six, eight or 10 months'."

The only sanction we've got is judgment by our peers. This will always be true of the TUC and the policy has only stuck over the last couple of years because of the generality of feeling that this was the right thing, the sensible thing to do and because everybody else was doing it. If everybody else, or a sufficient number of them stopped doing it, then the TUC would be in a very weak position. After all, if I invented sanctions in this situation what would they be?—Expulsion from Congress, shooting 'em, sending 'em to prison or whatever—no, that's no scene for us. If you can't do it on a voluntary basis you can't do it anyway."

TUC general secretaries have to speak with a hundred voices simultaneously. This gives their discourse a particular quality of opacity. George Woodcock had it. For all his geniality, Vic Feather was a circumlocutor of genius. Len Murray is more trenchant, quicker on the draw. The son of a Shropshire farmworker, the burr is still in his voice. Grammar school and New College, Oxford, sharpened his wit. The problem of surplus labour in an automated economy brings out the PEP graduate:

"A credible economic case could be argued, or at least a plausible economic case could be argued that if we have more purchasing power in the economy the more people we employ. It would also generate more output and because of that, because of the cyclical swing, it would improve productivity, because we are due for a big improvement in productivity on the upswing. It can be argued and is argued by some of the opponents of wage restraint that such is this what we need. They go on to argue that if the purchasing power you hold back from personal incomes and wages is fed in through manufacturing investment then you're filling up the hole that you are digging with your wage restraint policy, but that isn't happening."

"Unless we can get the manufacturing industry investment for its own sake and not the filling in of short-term demand and active leisure of active unemployment it is hopeless. I would accept that in the short run the case for continuing to accept sensibly and to respond to what the general council have asked for on the wages front, in terms of the 12-month rule, and terms of the new settlement, that this is what we need at the present time. There are certain areas where more demand would lead to quite remarkable falls in unit costs and therefore in prices. I mustn't name the industries, otherwise the unions will think I'm encouraging them."

Looking further ahead, it isn't so much that we are in a passive kind of way and let the market forces roll over us. Neither would the Conservative Party if it came to that.

Would these admirable sentiments hold good with a Conservative government in power? "I remember a discussion which we had in which there was a leading member of the general council on our side and Keith Joseph was there on their side and some other Conservatives. As well as dialogue within Parliament, a genuine dialogue between parties about what needs to be done in the country as a whole. Party political issues must dominate certain decisions, but there is scope for more common agreement."

"We know more about industry about industrial relations, so does the CBI. It's right that we should be listened to. It's right that our views should be reflected in government policies, but it is above all right that ultimately those policies should be determined by the government in Parliament after listening to us."

Keith Joseph was talking about monetarism and market forces and one of our people leaned forward and said: 'I understand what you are saying. I agree with you entirely'—that he wanted free bargaining, he wanted the right to do things, and the right not to do things, he didn't want to be constrained and trammelled."

"I see this as an opportunity rather than a threat—to increase the amount of active leisure of active unemployment if you like in society. This is the great debate we are getting into now. Many unions are arguing and indeed there are resolutions, motions, put down by Congress that will be carried, about the 35-hour week. Other unions are talking about early retirement, some are talking about extending the school leaving age or having a 16 to 19-year-old period in which the balance between school and work is altered differently than normal. Let others be talking about longer annual holidays so that you can go to Afghanistan for three or four weeks."

He is a slim, grey-haired figure with a strongly marked, almost hatched face, dressed in a loose-collared sported shirt and comfortable, light-weight trousers. His whole adult life has been spent in the trade union movement, from its economic department in 1947 through the entire hierarchy. Has he never been tempted to exercise his abilities in government?

"Oh no, not the Westminster area, no."



I've felt a commitment here and that's been of enormous value to me. I've never been tempted to go into Parliament. Once when I was active in politics, before I came to the TUC, I was at least tempted to become a Labour Party agent of all things, but I've never wanted to be a Member of Parliament. I was always drawn towards the trade union and organizational side."

Where does he stand in the great current debate about the shift of power from Parliament, with its millennial prerogative to raise and spend public money, to extra-parliamentary organizations, like the TUC, with the pressures it brings to bear on fiscal policies? "I might almost wish it was true, with my purely TUC hat on. Anyone who knows how we've battered the old knuckles have been on the doors of government to try to get something in certain areas and been met with a blank refusal must realize that this is so."

"After all the cuts in public spending, we didn't throw our hats in the air. The Government said this is what we are going to do. It was we who went along with it. The TUC, by and large, some of our unions are very much opposed to it because it affected them individually as unions. It would lead, they argued, to the deterioration of the public sector, the public services sector, into the private manufacturing sector."

"Oh yes, we've urged, we've argued, we've proposed, but to suggest that we've determined is nonsense. I'm sorry, not nonsense, it is totally in conflict with the facts. Certainly we have put pressure on the Government to spend money in certain directions. The Government has to listen to us more assiduously from time to time than they do to some other groups, but at the end of the road we know—this is really coming to the heart of it—that where the thing really happens is in Parliament. There's no doubt about that."

"We recognize the supremacy of Parliament, we value Parliament. We don't think that Parliament is necessarily totally well constructed at the present time. We have great reservations about that part of Parliament which is called the House of Lords. We have our reservations about the extent to which there is a genuine dialogue within Parliament, a genuine dialogue between parties about what needs to be done in the country as a whole. Party political issues must dominate certain decisions, but there is scope for more common agreement."

"We know more about industry about industrial relations, so does the CBI. It's right that we should be listened to. It's right that our views should be reflected in government policies, but it is above all right that ultimately those policies should be determined by the government in Parliament after listening to us."

Keith Joseph was talking about monetarism and market forces and one of our people leaned forward and said: 'I understand what you are saying. I agree with you entirely'—that he wanted free bargaining, he wanted the right to do things, and the right not to do things, he didn't want to be constrained and trammelled."

"I see this as an opportunity rather than a threat—to increase the amount of active leisure of active unemployment if you like in society. This is the great debate we are getting into now. Many unions are arguing and indeed there are resolutions, motions, put down by Congress that will be carried, about the 35-hour week. Other unions are talking about early retirement, some are talking about extending the school leaving age or having a 16 to 19-year-old period in which the balance between school and work is altered differently than normal. Let others be talking about longer annual holidays so that you can go to Afghanistan for three or four weeks."

He is a slim, grey-haired figure with a strongly marked, almost hatched face, dressed in a loose-collared sported shirt and comfortable, light-weight trousers. His whole adult life has been spent in the trade union movement, from its economic department in 1947 through the entire hierarchy. Has he never been tempted to exercise his abilities in government?

"Oh no, not the Westminster area, no."

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there are certain areas of great difficulty to us and certain areas to which we attach particular importance. It's equally right that we should know that there are areas to which we attach particular importance and present political imperatives to them. We may not agree with them but at least we ought to know about them and so this is something that happens from time to time."

He is a supporter of the Bullock Report and industrial democracy. But could this not lead to a carve-up at the expense of the consumer? "I don't think that one can altogether rule out the possibility of that danger. I would apply to trade unions as I would to companies or to government or to anybody else, the doctrine that where there is power there is the possibility of the abuse of power. Where there's bigness, where there's size, particularly where there's monopoly, there is always the danger of the abuse of power. I have to acknowledge that one potential danger in this whole situation is of union power in particular campaigns or factories becoming introspective. Looking at the affairs of that company, maybe even ganging up with the employers there to make the most of the situation and I of course am particularly concerned with the weakening effect this could have on the relations between the trade unionists in that factory and other trade unionists."

"One of the great values of industrial democracy that I see is that those representatives will bring into management discussions, formal and informal and into decision-making a genuine view about to use the phrase, what the lady will stand, what the lady will put up with and what they will jib at. To bring this information straight in like this in a representative way seems to be the logical conclusion of the argument that managers should be more sensitive to the feelings of the workers."

It does something else. It sets up a bridge for the future time between management decision-making and what the lady thinks, and a two-way bridge. It means that people who've been involved in a representative way in decision-making like this have then got a responsibility, and sometimes it will be a very difficult responsibility, to go back over the bridge and fight for that decision, because the manager will be in a managing decision-making situation, OK fair enough. Then he comes down to the factory and says 'well, kids, we're going to do this, that and the other kind of thing'. But he's not accountable to them in the same way as he is speaking from behind the other side of a divide."

He had a mild heart attack a year ago, but he has recovered from it. "I was out in Epping Forest this morning before I came to work and enjoying it. I've had some holiday, had a fortnight's holiday already." He is making a little easier and would not want to see the TUC taking on some of the additional activities that the German unions engage in.

"They run a bank, they've got a branch in London. They've got their housing company, they provide holiday arrangements, they've got a lot of other things. There is not so much an inhibition against this here as the fact that at the same time as trade unions were developing as voluntary organizations through the nineteenth century, other forms of voluntary organization were developing and other means were being found of meeting these needs. It's never been necessary for us. What would be the advantage of the TUC running a bank? The Co-op movement emerged in 1970 with its banking facilities and now has a major bank. On the housing side it was local authorities, which developed housing arrangements. In terms of travel of course some of our unions do provide travel facilities, holidays abroad and so on, but this has always been minimal. I believe in the carpenter sticking to his last."

"We can do industrial relations pretty well. Some people say we get egg on our faces, well OK, but we know about industrial relations, we are competent there and therefore I'd be very much against the TUC going in areas where we've got no particular competence, but perhaps going in merely for commercial purposes, to make a profit. That's not our scene. Where we have followed our inclinations in of course in fields like education and to some extent legal services, where these have been natural correlates of the bargaining process, training people to be bargainers and assisting people who've got legal problems arising from their work. This has developed quite strongly and of course in this respect we can match anything that the Germans or others do. But I don't want to get into the holiday homes business, I really don't. I've got enough problems without doing all that."

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Brian Connell

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Chief of Bhutto 'private army' goes for trial

FROM our Correspondent

Islamabad, Aug 21

The High Court of Lahore today decided to put the former director general of the Federal Security Force, Mr Mahmud, on trial for contempt of court. He claimed that when he arranged for the escort to a detention camp of two former ministers of Punjab he was unaware that they had obtained bail against arrest from the High Court.

The Federal Security Force was formed about four years ago to help the Government fight armed disturbance but in the course of time it came to be recognized as the private army of Mr Bhutto, the former Prime Minister, for use against political opponents.

It provided the guard, it is alleged, for a detention camp at Dalai, in the Pakistan administered part of Kashmir which is regarded as outside the jurisdiction of the Pakistan courts.

Two former Punjab Ministers, Mr Ifkhar Tariq and Mr Chaudhri Ishaq, when released in July after nearly 21 months detention in the camp, said they were forcibly removed from Lahore and detained in the camp in violation of high court orders.

Manila 'wrong place' for law conference

Manila, Aug 21.—Mr Ramsey Clark, a former United States Attorney-General, said here today that it was wrong to hold a world law conference in Manila "unless the abuse of civil rights and human rights in this place is confronted outright." The Philippines is under martial law.

He told a news conference that for lawyers and judges throughout the world to come to the Philippines under the banner of world peace through legal institutions was "to repudiate the possibility of the rule of law."

The conference is to be formally opened tomorrow by President Marcos. Some 2,000 foreign delegates are expected to attend. Mr Clark, an executive officer of Amnesty International, and the American Civil Liberties Union, is not here to attend the conference. He said he hoped to visit political detainees during a two-day visit.—Reuters.

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Sri Lankans rush to beat weekend curfew

FROM our Correspondent

Colombo, Aug 21

SPORT

Racing

Paquet pilots Super Concorde to easy Prix Morny victory

From Desmond Stodeham
French Racing Correspondent
Deauville, Aug 21

I am now more convinced than ever that in Super Concorde we have seen a superb two-year-old and also a possible winner of next year's *Steeple Chase*. Today at Deauville the colt made virtually every yard of the running to win the Prix Morny from Little Love, El Muleta and Karos.

Speaking after the race, Francois Boudin, the trainer, said: "In principle, the Prix de la Salamandre is the only race in the programme." Walter Heffner, the owner, spoke quietly about his hopes for the 1978 Derby. But all the news was good for Boudin as his filly, struck into herself and gashed the near hind leg.

Philippe Paquet had Super Concorde quickly out of the stalls and made the colt a good ground in the middle of the course. After two furlongs the pair were pursued by Sammler, Little Love and Vif. With African Horse racing in fifth position on the rails.

When the two furlongs mark appeared, Super Concorde was still in the lead and now El Muleta had been moved up second in front of Sammler, Vif and Little Love. Super Concorde was pursued by Sammler, Little Love and Vif. Throughout the final stages Super Concorde maintained his advantage and Little Love finished second, Sammler third, Vif fourth, and African Horse fifth.

The winning distance was not described. Super Concorde's domination of the race. The colt was never extended and a jubilant Paquet, talking to the press, said: "Never touched him with my whip, but two years ago I had ridden a colt like this and I was sure to be even more impressive over longer distances."

It is said that Super Concorde's sire, Bold Ruler, was just one full season at stud. He is also responsible for the American Triple Crown winner, Seattle Slew, and as a racehorse, he was the best of his time including the Jersey Derby.

At £3,600 the Morny second, Little Love cost about £105,000. The pair were bred by the Agence Française at Deauville last year. Jean Seng, the trainer's main autumn target for the son of *Caracalla* in the Grand Critérium at Longchamp on October 9, but I doubt if the colt will ever be as close again to Super Concorde.

Relkino to miss Arc de Triomphe in favour of Champion Stakes

By Michael Seely

Relkino, Lady Bevebrook's talented four-year-old whose triumph in the Queen Anne Stakes at Ascot, was to have been the favourite for the Arc de Triomphe at Longchamp on Saturday. But the colt, who was to have been the favourite for the Arc de Triomphe at Longchamp on Saturday, has been replaced by the three-year-old, Vincent O'Brien's *Relkino*, who was to have been the favourite for the Arc de Triomphe at Longchamp on Saturday.

At Goodwood, where he was fitted with his new equipment and truly outpaced over a mile when third to Aratus in the Sussex Stakes. Vincent O'Brien's three-year-old is very fast indeed over that distance and his forcing tactics were ideally suited to the undulating slopes of Goodwood and against the long-striding Relkino. Over a quarter of a mile further at York, where Aratus was barred from start to finish, Relkino was able to give the colt a breather halfway up the straight before producing him with that sparkling turn of foot to settle the issue.

To be fair to Aratus, he probably ran a pound or two below his best. He may not be as tough as The Minstrel and his several trips to France and Italy may have taken their toll on him. But Relkino's victory was utterly decisive, and his trainer is confident that he is capable of repeating the performance.

If Relkino is confident, who are we to argue? He is a man of outstanding ability, whose proud record speaks for itself. He has taken the time to seek the limelight. He considers the interests of his horses and his owners as paramount. Although friendly enough, he is not a public person, as some who are only too ready to provide us with instant copy. But his achievements are outstanding.

Champion trainer, in 1962 and 1972, Relkino stands in clear second place in this season's table to Vincent O'Brien, having captured 47 races worth £24,191. Apart from Duff's *Relkino*, he has won two other important sprint races.

He has twice had trebles at the big meetings this year, on the Saturday at Ascot following the Royal meeting, and at York following the Ebor meeting. His record of 10 wins in 11 starts has included triumphs in the King George VI and Queen Elizabeth Stakes, the Eclipse Stakes, and the Champion Stakes (in successive years).

A study of Relkino's other races shows a consistent pattern of the trainer's assertion. Ridden in the same way, he was just too quick for Jellaby in the Lockinge Stakes at Newbury. His performance in the Diamond Stakes at Epsom can be forgotten, as apart from being forced on to the rails at Tattenham, he was never seriously threatened by Marinsky. After that

Nothing can detract from Vincent O'Brien's genius. This is his year, the year of the Minstrel, and the year of Robert Sangster as well. Yesterday, Alleged 51, Leeger, and the final class appears to lie at his mercy. By the end of this season, the Tipperary trainer is virtually certain to have overtaken Peter Walwyn's record total of prize money amassed in 1975.

Without the purchasing power of Mr Sangster and his associates, the traffic of bloodstock across the Channel would be considerably one way and we should all be the poorer for it. But such men as Dick Hern, Peter Walwyn, and other leading trainers are not only keen to improve their craft as O'Brien. And when they have the material, they can produce the results.

Irish bloodstock sales show increase

There was an aggregate of 260,000 guineas for 111 lots sold at Goffs bloodstock sales in co. Dublin on Friday. The average of 2,340 guineas is 27 per cent up on the figure for the same day last year. The 13,000 guineas paid by Michael O'Toole for William Carson's *Relkino* was claimed to be a European record for an unbroken three-year-old gelding.

Mount for Piggott

Lester Piggott has been engaged to ride *Relkino* in the 2,000 Guineas at Newmarket on Saturday. Also in the field will be Boldboy (W. Carson) and Don (P. Eddery).

Caporello backed

Caporello has been backed from 3/1 to 1/2 to win the 1,200 Guineas at Newmarket on Saturday. They are backed from 11/10 to 1/2 to win the 1,200 Guineas at Newmarket on Saturday.

Smith-Eccles post

Stephen Smith-Eccles will be first jockey to the Newmarket stable of Harry Thompson-Jones this season. He takes over the job from Ian Watkinson, now retained by Peter Bailey.

Sponsor for new handicap hurdle series

A new sponsor to National Hunt racing, Tom Caxton Home Brew Beer (who are part of Colman Foods), are backing a two-mile handicap hurdle series next winter. The four-year-olds and upwards, the first qualifying round will be at Kempton Park on October 15, followed by Windsor (November 12), Falmouth and Cheltenham (November 19), Wolverhampton (November 26) and Wincanton (December 3).

The final will be staged at Newcastle on Saturday, February 19 and will carry added prize money of £3,000. All the qualifying events are worth £1,000. An unusual condition is that all horses contesting the qualifying rounds automatically qualify to be entered in the final.

This is Tom Caxton's first venture in horse racing, but with yearly growth of around 20 per cent in both 1975 and 1976, it is not likely to be the last.

Hamilton P (Friday)

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Lord Chalfont

Why we cannot afford to say that revolution could never happen here

A great and ominous change is taking place in the affairs of this country, and in the wake of its most recent manifestations I make no apology for raising once more a subject to which I have devoted some attention in the past—that of the delicate balance between freedom and order in society. It is clear from the reaction to recent events at the Grunwick factory, the National Front march in Lewisham and the by-election campaign in Birmingham that there is great public concern about the increasing use of force in the pursuit of political ends; and it would be as well to face the indisputable fact that political minorities in Britain are becoming more and more arrogant and contemptuous in their readiness to advocate and use violence against anyone who dissents from their views. Furthermore, savage, organized attacks on the police are no longer the monopoly of Irish thugs in the streets of Belfast and Londonderry—they are becoming a familiar part of life in the towns of Britain itself. The rule of law is every day being openly challenged.

It would, I think, be generally agreed that the rule of law is an essential ingredient of a civilized society. This, it is true, reflects a basic political dilemma, since the rule of law inevitably implies the freedom of individuals to act as they please.

The attempt to resolve this paradox has been at the heart of political philosophy through the ages. It has been said that liberty cannot be absolute, that it means in effect the right of

each individual to act as he wishes, provided that in doing so he does not restrict the freedom of other individuals to do the same. Professor Hayek has recently defined liberty as "that condition of man in which coercion of some by others is reduced as much as possible in society". Much earlier, Edmund Burke wrote of "a manly, moral, regulated liberty" and went on to define it as liberty combined with peace and order. It is, indeed, difficult to improve upon his articulation of the need to reconcile freedom and the rule of law—to temper these opposite elements of liberty and restraint in one consistent work requires much thought, deep reflection, a sagacious, powerful and combining mind.

It does, indeed, and I think we are now entitled to ask ourselves, as Burke asked himself of the French National Assembly, whether these qualities are present in the political leadership of this country. It is clear that without order in society there can be no freedom, since in conditions of disorder or of anarchy, brute force becomes the final arbiter; there is then no freedom for the weak because they have to abide by the rule of the strong. *Inter arma leges silent*—when the fighting begins, the law is helpless.

The fighting has begun partly because successive governments of this country have failed to understand that within our society a growing number of people are prepared to take advantage of the toleration extended to them by a democratic society to strike at the very roots of what that society stands for. These people know that

The factors which create conditions for drastic and violent social change include weak political leadership, crisis in the economy and disenchantment with traditional values

there are certain rights so fundamental to the concept of human liberty that a democratically elected majority will always be reluctant to interfere with them. Freedom of speech and assembly are pre-eminent among these rights; and so we are faced with a double threat. On the one hand extremists of one kind exercise the right of free assembly to march "peacefully" through the streets of our towns. They are breaking no law, and yet they know we have had their daily lives disrupted and made miserable by an apparently endless succession of marches and demonstrations. It seems that scarcely a week passes without the appearance of official notices warning people to stay away from this area or that, so that the streets may be left clear for some procession or other bearing banners with strange devices, chanting mindless slogans, driving pedestrians off the streets, forcing motorists to crawl be-

hind them, and requiring the attention of large numbers of police who might be more usefully employed elsewhere. It might be argued—and it almost certainly will be argued—never two or more trends radiate ever gathered together—that this is a small price to pay for liberty. But it is time we asked the crucial question—whose liberty?

Today the majority of our people are faced not simply with inconvenience and frustration as a result of the behaviour of militant minorities. They are threatened with wanton damage to their property, with obscenity, insult and physical violence. It is not enough any longer to say that the police are there to protect them, for the police themselves are being viciously attacked and are now hard pressed to protect themselves. The duty of the Government is to secure the interests of the majority of the people and if, in doing so, they marginally curtail the activities of the minority, they are doing no more than preserve the precious balance between freedom and order. No fundamental human right is eroded by removing the right of political thugs, whether of the right or the left, to use our streets as a battleground and our policemen as targets for their fury.

This is not simply a matter of abstract political philosophy—it has a more direct and disturbing relevance. Any comprehensive study of the nature of revolution suggests that there are a number of factors which, if they coincide, create conditions for drastic and violent social change. They include weak and discredited political leadership; crisis and insta-

bility in the economy; rapid social change resulting in a growing disenchantment with traditional structures and values; and a state of hostility between the ruling establishment and a militant intelligentsia. If, in contemporary Britain, all this has an ominously familiar ring, it does not necessarily mean that bloody revolution is imminent. It does, however, suggest that the state of our nation is not so secure, safe and stable that we can contemplate with equanimity the activities of violent revolutionaries openly dedicated to the destruction of parliamentary democracy.

Our rulers would therefore be wise to realize that, as Lord Justice Scarman said in his Goodman Lecture a few months ago, the rule of law is needed by them just as much as by the people over whom they exercise power. If they do not accept it, and resolutely enforce it, the inevitable result may, in the long run, be violent revolution. Already there are too many centres of power in this country where the concept of legal control is held in contempt. If this disease is allowed to spread to the political mobs in the streets the result will be disaster. In one of his most powerful political essays, George Orwell described the folly of those who saw away the branch on which they sit, unaware that what lies below is not a bed of roses, but a cesspit full of barbed wire. If we are eventually precipitated into tyranny and oppression, it will be very little consolation to discover that we are in the company of those who wielded the sword.

It is not simply a matter of abstract political philosophy—it has a more direct and disturbing relevance. Any comprehensive study of the nature of revolution suggests that there are a number of factors which, if they coincide, create conditions for drastic and violent social change. They include weak and discredited political leadership; crisis and insta-

Inflation waters down Tory tax credits

The Conservative Party is preparing to resurrect the tax credit scheme as a major election platform. Shadow ministers have made it clear that the party now see the scheme as a tax cutting measure rather than an addition to public expenditure, and considerable study is going on to revise the scheme.

So far, no clear details have emerged of the kind of scheme an incoming Conservative government would like to see. But it will not be as generous as the original proposals, which would now cost £5,000m to introduce and mean child credits of £4 a week instead of the present £1 and £1.50 paid as child benefits.

The original scheme, which involved ending all personal allowances and other reliefs set against tax in return for "credits" against tax liability, would have begun next April but for the February, 1974, election. The Conservatives still reckon that it would take about six years to introduce a revised version, but are now working towards a phasing-in scheme.

First, they would want to complete the transfer of child tax allowances into child benefits, which is scheduled to take place by April, 1979, apart from a small residual allowance for children aged 11 and over. Secondly, they would bring in pensioners by converting the value of personal allowances and age relief into "credits" to be set against tax liability. Lastly, they would bring in the rest of the population.

Mr Patrick Jenkin, shadow spokesman for Social Services, believes that tax credits are still the only runner in the race to find some way of simplifying the income tax and social security systems. Even though the more expensive scheme first proposed in 1972 has now been ruled out, he believes it could still have a great impact on poverty.

Experts in Whitehall are dubious about all the claims Mr Jenkin and his colleagues make for a revised scheme. They accept that it could be introduced at a saving to the Exchequer, if it were simply based on converting existing allowances into credits because extra revenue would come from taxing short-term national insurance benefits, including unemployment and sickness pay. But the social objectives of the original scheme would not be met if savings were made, or a reduced scheme was introduced.

Mr Jenkin believes that 700,000 pensioners could be flooded off supplementary benefits by converting their existing tax allowances into credits. In Whitehall, the figure quoted is 27,000 and officials point out that a scheme that phased in pensioners before everyone else

would have the snag of making pensioners the only group to be taxed on all their income. A crude estimate based on current figures shows that about four million single pensioners might gain £1.40 a week, and two million married couple pensioners £2 a week at the present standard rate of income tax.

However, some progress towards the original aims of a tax credit scheme has already been made. The proportion of pensioners claiming supplementary benefits has fallen from a quarter in November, 1972, to a fifth in December, 1976. That has happened because about 200,000 pensioners have found themselves better off claiming rent rebates, rather than claiming supplementary benefits which for most of them are a help with their rent. In addition, more people are retiring with sufficient occupational pensions to take them above the supplementary benefit level.

Mr Jenkin asserts that a revised scheme would alleviate the "poverty trap" reducing reliance on in tests, so that fewer people would lose part of their welfare benefits as their incomes rose. But it is now much more difficult to abolish the family income supplement, the component of the benefit since it involves a marginal rate of 50 per cent, because it has risen so much over the years.

This November, the minimum payment for a one-family with rise to £9.50 a week. To ensure that no one is receiving the supplement worse off, therefore, credit for the first child will have to be £9.50 a week. It is no chance that the component of the benefit dealing with differential before 1980.

Any tax credit scheme will be of help to people who are in work but below the threshold, because they are not in receipt of any of the tax allowances they are now unable to claim. I was about 800,000 people floated out of tax in the measures this year, but included few families children who are a prime target for Mr Jenkin's plan.

It would not help the people on supplementary benefits—and it would difficulties for some group tax credit scheme would be in taxing all income, but some of the tax allowances they receive are tax-free war pen and others receive the tax attendance allowance.

The view in Whitehall is that an expensive scheme that does not float many people off supplementary benefits, and the bulk of any savings would go to the better of the population. It is now doubtful the scheme would save administrative costs by reducing power. Mr Jenkin places hope in the fact that the plans of the Inland Revenue but they will not begin 1980 and will not be complete until the mid-1980s.

Pat H. Social Services Correspondent

An occasional series of new words and new meanings

The perils of pristine, which doesn't deserve such a fate

In a new and extremely bad novel about life on a thinly disguised Sunday newspaper heroine, who is as careless with the English language as she is reckless with her body, at one point puts on a *pristine* cream blouse. This must be a change from her usual practice of whipping off her clothes at the slightest intimation of interest by a member of the opposite sex. Fortunately no dog plays a major part in the change. When using on her *pristine* blouse the awful columnist heroine is in even worse company than she usually keeps, in

that she appears to believe that *pristine* means new, fresh, and as clean as a new pin. It actually means old.

The delusion that *pristine* is an impressive synonym for new has become so prevalent among the fashionable ignorants that the unhappy word is being used on its head. It will soon be consensus of error come to mean the opposite of its original and etymologically correct meaning.

The word comes from the Latin *pristinus*, which means former, previous, early, original. Primitive, primal, and *pristinus* share the same stem. In English the words means of or pertaining to the earliest period

or state; original, former; primitive, primeval, ancient. The citations in the *Oxford English Dictionary* clearly illustrate its use in these senses from 1534 onwards.

The earliest is from a letter of Queen Anne Boleyn, who wrote of restoring someone to his *pristine* freedom. In subsequent centuries it made sense to write of reducing the said parties to their *pristine* amity. An expedition set out for the recovery of their *pristine* possession. (The report's examples). "Hence then, close Ambush and perfidious War, Down to your *pristine* Seats of Night repair." Somebody spoke and prophesied like a sage of some *pristine* era. Something was restored to its *pristine* purity. The translators happily preserved for us the *pristine* simplicity of our Saxon-English. Empedocles was said to have believed in a *pristine* state of happiness.

That last quotation gives a clue to the reason why a topsy-turvy fate has overtaken *pristine*. We are often dissatisfied with our human condition, and look back wistfully to what we suppose was a primitive golden age. So did the Romans look back in nostalgia to *Saturnia regna*, when the world was young,

fruit grew on every bush without cultivation, and sheep came with their fleeces already dyed; so did other Greeks in addition to Empedocles. The past often seems rosier than the nasty present, though for *pristine* cleanliness, no doubt. It was quite as solitary, poor, nasty, brutish, and short as we find today.

From its connotations of the primitive, primeval world, it was a short step for *pristine* to come to mean uncorrupted by western civilization, or the world. It made sense to speak of *pristine* innocence or freshness. And the innocence and the freshness rubbed off on the old adjective

pristine for those who were not sure what it meant and could not be bothered to look it up in a dictionary.

So it came to be supposed that *pristine* itself meant something like free from drabness, soil, or decay; fresh and clean, as we sentimentally and erroneously imagine the golden age to have been. Good writers and talkers do not use it in this new sense. The hack who wrote: "A *pristine* and fabulously wealthy residential area" was not a good writer; and she got fabulously wrong also.

Philip Howard

John P. Mackintosh

The Think Tank should have remembered what foreign policy is for

The Think Tank report on overseas representation is a good read because it is so provocative and it does, on occasion, hit the nail on the head. One example of this is when it says that appeals to Britain's special long and deep experience in foreign affairs and to the value placed by other nations on this experience, is largely self-delusion.

This is quite true. As a country, we have turned in on ourselves. Those accustomed to the last period when Britain, though no longer a super-power, had self-confidence and clear cut role to play, the Churchill-Macmillan era, have retired or died. Memories of empire even in its last stages, are remote. (For instance, there are Home Civil Service officials in a Cabinet Unit on Revolution telling ministers that schemes of revenue raising for Scotland cannot be devised, quite oblivious of the many such schemes written into so many constitutions from the 1935 India Act to the Nigerian Constitution.)

In fact, the bulk of opinion-forming groups in Britain have forgotten what foreign policy is about, and the best example of this is the Think Tank report itself. Part of the explanation is our obsession with internal economic problems, part is because the word is being used on its head. It will soon be consensus of error come to mean the opposite of its original and etymologically correct meaning.

The word comes from the Latin *pristinus*, which means former, previous, early, original. Primitive, primal, and *pristinus* share the same stem. In English the words means of or pertaining to the earliest period

This priority is not argued. It is assumed to be self-evident. When the analysis gets down to the basic functions of the Foreign Office, these are set out under 14 heads. The first two, declared to be of the most importance, are "economic and financial relations" and "export services" and together they get 79 pages of comment. Only then comes "foreign policy work" and it is covered in 10 rather than 25 pages.

Nor is this surprising, as "foreign policy work" is defined as launching specific initiatives, say over Rhodesia or Belize (the report's examples), where Britain not only has interests but where British unilateral action can affect the outcome. The report says there are few such situations, except for a handful of major imperial legacies and so foreign policy work can be relegated. This can be cut while any extra jobs go to export promotion in the expanding markets of Brazil or Japan.

I believe the report has got it wrong in both its positive and

its negative recommendations. On the economic side, it is not the Japanese embassy that has sold so many Toyotas and Datsuns, it is Japanese business men plus the availability and quality of the cars. Bright young men from the Foreign Office can run "British weeks" and export promotion drives to beat the band but they are all no use if there are no Jaguars or Range Rovers available. If there is an embassy, of course it must be equipped to help British businessmen and must do so but making this the first and second task of the Foreign Office is ridiculous. (There is a case for trying to attract entrants of Foreign Office calibre into jobs in the production side of British industry, but that is another issue.)

The chief weakness of the report is its total failure to comprehend the core of foreign policy and to imagine that such policy only becomes operative where Britain can have an impact on its own. The report is right that the first task is to ensure Britain's security, but this is not just a question of

defence. It is a matter of maintaining a balance of power in Europe and a clear appreciation by all countries of what happens if certain lines are crossed. It is vital for Britain that there is no serious forward move of Soviet influence. So the Foreign Office need to study such things as what will happen in Yugoslavia when Tito dies, what are the Warsaw Pact powers' relations with Russia—are they feeling freer to act on their own? If so, is this arousing fears among the Soviet high command?

On the other side, in Western Europe, what will happen if western policies in Greece, Spain and Portugal join the EEC and its various joint political activities? Does Nato still offer a realistic deterrent in view of the massive rearmament of the Soviet bloc?

Then there are all the extra-European political changes that

could have repercussions on this balance of power in Europe. One disaster would be a victory for the American Gaullists who argue that the United States does not need to have land forces in Europe in order to reach the modus vivendi with the Soviet Union. Any reconciliation between China and Russia would enormously increase Russia's freedom of manoeuvre in Europe. Then there could be European repercussions from an Arab-Israeli conflict or from wars in Southern Africa.

This is just a brief review of the immediate problems (all more fundamental than Belize or Rhodesia). To form good judgments on these issues, the Foreign Office needs a flow of information of a level which can only be produced by British representatives who live in the country, speak the language, go to all the party conferences, study the local press and get to know the politicians on a personal basis. (The report contradicts itself by calling for more expertise and then saying this information can be provided by visitors from White-

hall taking in four or five countries at a time.)

With this information on crucial political issues, Britain will not "act on its own". The country is constantly concerned with the French, Germans, Italians and others. It is not a matter of joint reactions to Soviet demarches on arms or cultural matters. We must contribute to these discussions and decisions and it is essential that the Community gets them right. It would be a disaster if the Germans, for example, decided it would be better to rely solely on the United States or, even worse, if the spectre of Euro-Communism led them to contemplate bilateral deals with the Soviet Union. Britain must play her part in producing a flexible European response to these problems and all this activity requires advice and briefing which is full and reliable.

Thus the Think Tank fails to recognize the key activity and the *raison d'être* of the Foreign Office. Even within this, it fails to realize that Europe is the central area on which British security depends. The report

places more emphasis on so-called special relations with the United States, appreciating that Britain's position in Washington is largely most pro-American power in the Community. (The press made the same error, suggesting that Mr. Peter was getting the plum of the Foreign Service's permanent representative to the Community matter more so, to a lesser extent the ambassadors in Bonn, Paris.)

The reason why the Think Tank investigators so did the spirit of the Foreign Office and for it would be better to occasional visits from "experts" in home departments to have been the same. The body of this report is a history of foreign policy, who do stand its content and want for this country may be the best place to find the answer. Labour, Berwick and East Lothian. © Times Newspapers Ltd

Any British television executive who feels excessively badgered by special interest or vigilance groups, outraged by some offence unwittingly caused in this or that programme, might take comfort from the plight of his counterpart in the United States. This country is bristling with pressure groups for minorities or majorities, all of whom appear convinced that a conspiracy exists among the television networks to single out their particular group for ridicule or opprobrium.

Last week the United States civil rights commission, an independent fact-finding agency which acts as a kind of super-pressure group for the pressure groups, issued an 181-page report which concluded that television was ridden with racial and sexual stereotyping. The commission calculated that white males dominated television drama, appearing in 65.3 per cent of all roles. Nearly all other participants—23.8 per cent—were white females who were often portrayed in stereotyped home-making roles.

Blacks were seldom portrayed at all. The report noted that in 1973, in the detective series

Hawaii Five-O, nine black people appeared. Five of them were pimps, two were prostitutes and two students.

In news, it is even worse. White males made 88.6 per cent of the 131 appearances by news correspondents in the period of the survey. The subjects of news reports were also overwhelmingly male. The report concluded that the television networks must break out of the stereotypes and give more network time to women and to ethnic minorities. If necessary, the Federal Communications Commission must force them to comply.

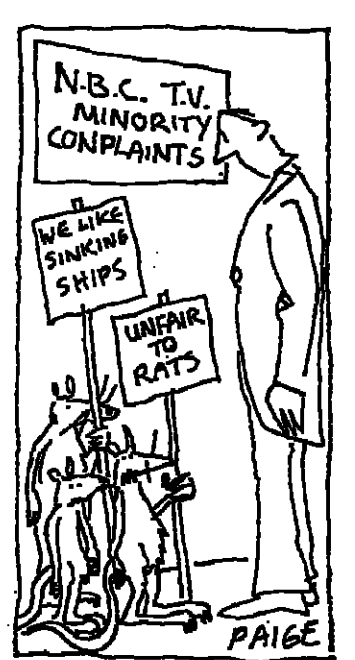
If women and racial minorities were all they had to worry about, television executives could be fairly relaxed. But almost every week brings claims from some other special interest group that they are not being dealt with fairly. This month there was a conference concerned with the portrayal of the elderly on the screen. Participants complained about the dearth of old people on television, and about their being generally portrayed, when at all, as doddering objects of fun. News executives decided to "re-evaluate" the buying power of senior citi-

zens" to reexamine the belief that young viewers do not like watching old folk, and to look into ways of getting more elderly people on television.

Then came an attack from a group of hard-headed scientists and science writers called the Committee for the Scientific Investigation of Claims of the Paranormal. They criticized what they called "quasi-demonstrations" about such subjects as outer space and demonic possession. They said that television was partly responsible for a growing belief in astrology, unidentified flying objects and the like, and added this chilling warning:

"When a society ignores all objective standards of knowledge, it opens the door to the possible development of ideological cults. A disturbing parallel is that the irrationalism of Nazi Germany was preceded by a vast growth in the belief in the occult in the Weimar Republic." Enough to make any television mogul rush for his worry beads.

In any compendium of the activities of special interest groups, it is rare not to hear from the homosexuals, and they have been getting at television



executives in two ways. The National Gay Task Force filed a petition with the FCC to ensure that television companies ascertain and take account of the needs of homosexual viewers more specifically, both

the task force and the International Union of Gay Athletes have made complaints to the American Broadcasting Company network about a series which has not even been seen on home screens yet.

It is called *Soap*, and has been aired only in previews for the trade. But word has got about that it includes a homosexual character who is made to seem ridiculous.

A Gay Task Force representative said that the character enjoys wearing his mother's wigs and speaks of wanting a sex-change operation. "They've stopped all that with blacks in television, and it is time they stopped it with us," he protested.

Soap is described as an "adult comedy" series which seems intended as a satire on the soap operas—the emotional domestic dramas which dominate American television in the afternoons. It seems as though it will resemble an earlier version of *Crossroads*.

It is being criticized not just by homosexuals. The United States Catholic Conference urged last week that the series be cancelled, as being a "debasing" of the television

medium through a contempt for human beings. ABC say they will not cancel it, though several stations affiliated to the network are refusing to screen the series, which is said to be on the rude side.

Soap operas are immensely popular with people whose schedule allows them to watch television in the afternoon. For years before his death P. G. Wodehouse, the writer, was added to one called *The Edge of Night*. Last weekend there was a soap opera festival in New York where, in spite of the wet weather, people crowded round booths to get the autographs of their favourite performers.

Several of the programmes concern medical matters and, even in those which are not specifically about doctors and hospitals, illness plays an important part in the plots. The *New York Daily News* gives periodic encapsulated reports on the latest story developments in the series, for people who have had to miss one or two episodes. If the plots in any way reflect real life in the United States, then this is a nation of the chronically ill or emotionally hypochondriac who

spend most of their time having affairs with unsuitable people. In one, for instance, "Leslie was served with divorce papers from Brad, who left town to consult a neurosurgeon for head pains he hadn't told anyone he'd been having". In another plot, "Reggie asked Pat to keep an eye on Mac because of Sven. Pat convinced Mac to go out with her, and then returned to work. Iris hired John and ordered him to fire Quentin as Vera's curator after indicating to Vera that Quentin was after Rachel".

It is rare, though, for any of the illnesses to be as tame as a simple depression. Ken, a character in *The Doctors*, you would expect something more dramatic: "M.J. says yes to Tom's marriage proposal. He admitted that he may have a hereditary nervous disease and is afraid to have children. Even more sinister is the plot in a rival medical series: "With Gina's help, Gary learned what was ailing Tommy—a poisonous wood tick".

Multiple and dramatic illness strikes in *Days of Our Lives*: "Bill left London to consult a specialist in a risky operation for his surgical hand. Laura planned to join him. Alice insisted she'd p her surgery until Bill p And if no actual medical takes place, it can be invented in another 'Dorian' set up to m believe he'd claimed 'ing a seizure'.

In *The Edge of Night* house's favourite, learned of April's heart condition but insisted he marry her anyway, accused Miles of using illness to stay apart from her. The soap operas have going for some time in the years, have portrayed relationships with grow down, to keep pace with developing moral climates when described staccato fashion I have quoting, are so ridid the it is hard to see how the satisfied successfully. was a series called *Ma man*, *Mary Hartman* tried something similar in vogue for a while, for long.) To find out whether will succeed, I shall be finding a miller month who will watch episode or two—assum do not clash with has

John, no, no, no



At which point Mr Vance, the American Secretary of State, arrives in Peking to explore how non-American relations can be carried forward. In Chinese eyes Liwan remains the touchstone

In Washington's global view there can be no question but that Moscow is a more important capital than Peking with its military power, its European posture, its Middle Eastern and African involvement—all these are matters of constant concern to which President Carter has committed

There could be no question of the United States as a supplier of arms for China since that would excite the maximum Soviet suspicion and damage severely American relations with the Russians. But there is no obvious line to be drawn in goods that the Chinese might be permitted to buy from the American shop window. At every point it can be seen that an advance in relations with China can alter in some way American relations with other important powers. By the Chinese play with the third world, the Chinese are exposed to both of the two world super-powers is no more than a big character propaganda poster on the world scene. What matters is the delicate balance between the United States, the Soviet Union, China and Japan. The Americans have no fear that their delay in satisfying Chinese demands could induce China to veer back towards any kind of rapprochement with the Russians. The experience of the last decade shows how deep the suspicion is on both sides. But neither can the Americans be certain of real gain to their global interests by closer relations now with China. The Chinese, too, must consider their part in the global equilibrium, however pressing their national interests.

Tourists want to go where there is something to see or something to do, or preferably both. London is arguably the city providing the biggest selection of sights and activities in the world. It is no good, therefore, trying to persuade the tourist to spend time in Liverpool just for the sake of it. All that can be said is that it can be worth a try and is being new with some success—is to say that tourists know of the city other areas in Britain which they are likely to find interesting and entertaining. It is the official policy of the

On such a suggestion for imposing a tax on them. In their sensible pamphlet published today under the auspices of the Conservative Political Centre, Mr Robert Adey and Mr Conal Gregory rightly point out that proponents of a tourist tax really mean for it to be imposed only on foreign tourists, since they do not have in mind that a Mancunian should be taxed for going on holiday to Cornwall. The introduction of such a tax (which could in any case probably not be applied to citizens of the European Community) would be prejudicial to

On a broader plane, Britain has suffered from not having a coherent policy for tourism. The situation today is partly the result of haphazard and only short-term planning, and a failure at Government level to devote the time and attention to tourism that its huge financial importance to Britain warrants. It is the fifth most important industry in Britain's balance of payments, and provides employment, directly or indirectly, for more than a million British people. It is time the Government treated it as such.

It is not a situation which will
 endear itself to soldiers though they
 have performed magnificently. Of
 necessity it will create frustration
 and is likely to be drawn out. But
 in the end it is surely the most
 likely way to restore a lasting peace
 in the province and an end to the
 senseless bloodshed.

Yours faithfully,
MICHAEL McNAIR-WILSON,
 House of Commons.
 August 17.

From Lord March
Sir, I write in response to the Dean of Peterborough's letter of August 10 on churches as part of our heritage. I do so from my experience as Treasurer of the Historic Houses Association, chairman of the Sussex Heritage Trust, Vice-President of the South East England Tourist Board and a member of the General Synod of the Church of England.

Let us, therefore, bury this horrible word and with it all the destructive malice that lies behind it if we want to keep London attractive to all.

Yours faithfully,
WILLIAM BELL, Member of the GLC for Chelsea,
Chairman, Historic Buildings Committee,
County Hall, SE1.
January 19.

Yours faithfully,
F. M. M. STEINER,
Willow Close,
Northend,
Leamington Spa,
Warwickshire.
August 16.

From Lord Gladwyn
Sir, Lord Boothby (August 18) is living in the past, in the great days of the Might Have Been. He believes that, had it not been for "Eden", the (non-supranational) Council of Europe could have produced real European unity, apparently because its Assembly was composed in 1948-51 of important national parliamentarians, including himself, and had approved, or supported, various "European" initiatives.

Now that the European Community has nevertheless been actually formed with British participation, Lord Boothby, rather typically, feels it is no good. Still, it does have a machine (which of course should be improved) for taking decisions and operating them. And it is now proposed that there should be a directly elected Assembly for subjecting such decisions to a measure of democratic control.

But to imagine that this would result in European unity is to live in Cloud Cuckoo land. For the alternative to the existing Community is not just yet another European talking-shop: it is nationalism, it is a directed economy, it is "beggar my neighbour". Rather than dreaming of the past Lord Boothby should stand for election to the new Assembly! But I fear

From Mr H. B. Brooks-Baker
Sir, Mr Nicholas Hunter is to be
congratulated by stating (August 18)
what all genealogists have been
pointing out for centuries! "we all
come from the same ancestor." Mr
Hunter however, must understand
that Debrett's job is to show, by
using charts, the way and the
direction the sapling developed,
and the length of time the sap-
ling stood upright, producing new hopes
for the future, i.e. new acres.
Yours faithfully,
H. B. BROOKS-BAKER
Managing Director Debrett's
Peage and,
23 Moor Street, SW3.
August 18.

and small population. When, some years ago a cousin of mine there took our arms he was provided with a tree by the Lord Lyon King of Arms, of which I have a printed copy, showing that he was connected twice over with King George VI. It is amusing to contemplate that Queen Elizabeth II is thus related, however remotely, with my great uncle who had a grocer's shop in the Hammersmith Broadway, and

the Rialto-Broadway, and with two co-lateral ancestors who had pubs in Somerset. Is it possible to prove relationship between any two of us if you work hard enough or spend enough money?
Yours faithfully,
R. D. REID,
8 Chamberlain Street,
Wells.
Somerset.
August 18.

Spread of kissing

Spread of kissing
From Mr Herbert Brown
 Sir, When some charming young ladies have recently greeted me with kisses, I thought that by some miracle, I had suddenly grown attractive in my old age. Now I know the horrid truth. (Mrs Jane Gardam's letter of August 13.) Everybody's doing it!
 Yours faithfully,
HERBERT BROWN,
 31B North Side,
 Wandsworth Common, SW18.

From Mrs Gwenda Walters
Sir, The English may be returning to the warm-hearted traditions of Merrie England. We Welsh never abandoned ours.
Yours sincerely,
GWENDA WALTERS,
49 Charsworth Way, SE27.

Long history of facts at Westminster

near obliteration of the Liberal in the by-election at Birmingham. Ladywood on Thursday came bad times for Mr David Steel, but the Labour party critics the Brighton conference within weeks and justly the parliamentary pact he has made with Mraghan to save the Labour movement from electoral retribution is, perhaps, the swiftest of any day next year or in 1979.

Some Liberals who have never foot within 50 miles of a voter he urban wasteland that is Ladywood will say, indeed already say, that Mr Steel has sipped with the ill and sold the Liberal brand for a measly £100,000. But the New to central and Saffron Walden elections, where Liberals came and, are forgotten. Few will t to admit that the Liberal folly to get into the Labour coalition at all will be a dispirited didate and a ramsackable organization to back him.

It is no business of mine to say Mr Steel's particular pact, no much comment and criticism has been made of such parliamentary agreements deals are a dangerous innovation in our politics. Far from it. oughout this century, and back the nineteenth century, coalitions have been the rule rather the exception. During the past years there has scarcely been one, until 1970, when one or r of the main parties has not ed into a pact of understanding of a fairly formal kind.

Before the turn of the century none relied on the Irish vote. Conservatives reinforced themselves with Chamberlain and the Quists. After the turn of the

arrangement with the Labour representation committee, and offered Labour candidates straight fights in some constituencies, thereby ensuring that Labour would become the alternative government party in due course. The coalition of the 1914-18 war continued into the 1920s, until the 1922 Committee chose freedom, and then Asquith put Ramsay MacDonald into power.

So it went on through the national governments of the 1930s, with an Ulster Liberal Party, based on the Ulster Liberal Party, into the coalition government of the Second World War.

Even when the Second World War ended, it was the Ulster Unionist group and the rural and Catholic Ulster Liberal group that together formed the Ulster Liberal group, 40 strong in all, who supported Conservative governments through the 1950s and 1960s. By the time of the 1970 elections the National Liberal Party had been absorbed fully into the Ulster Liberal Party and no longer had a Whip of their own; and the Ulster Unionists were breaking away almost to a man over the Northern Ireland problem.

Since 1974 Labour has virtually taken for granted the support of two Irish MPs and three Plaid Cymru MPs to make out its vote. And let it not be forgotten that in March, 1974, the Heath and Mr Thorpe coalition was the support of a second Ulster Liberal group of power.

Let Labour out of its power. At least historically, there is nothing to suggest that Labour, in opposition, has been more successful, in parties or groups entering into a deal that ensures the gaining or retention of power for one side or the other, than the influence of the other side. In the nature of parliamentary politics, and in a day of national crisis or minority government, they are necessary if the Government is to be governed at all.

None of this general historical argument need justify Mr Steel's claim, of which this column, it may be remembered, is no friend.

But let Mr Steel speak for himself. He has said that the pact in July, as reported in an interview with *The Sunday Times* on July 31: "The greatest thing the Liberal Party has got out of the pact is not any series of policies, but the reappearance of a party prepared to accept responsibility. We were actually capable of power share."

for the vote in the presence of 13 Liberal peers in the Commons but the fifth of the electorate who voted Liberal at both general elections in 1974.

Mr Steel argued that because of the existence of the pact the Liberals should not be saddled with responsibility for the Labour Government's social policies that were the cause of the 1974 election defeat. What thought about the Labour policies that will ensure if the pact survives and serves to bring back a Labour government needing no Liberal support? Let Mr Michael Foot, a principal figure in the working-out of the Lib-Lab agreement, be our witness.

Interviewed by *Labour Weekly*, the Minister of Justice, Mr. Peart left no doubt that Liberal influence over Labour policy in government is to be reckoned merely expedient and temporary: "What we want to do", he said, "is to bring Labour support to the party, for the pact, for the first time when we can get a full Labour majority again in the House of Commons. There is nobody who wants that more than I do. But if we are to get a full Labour majority with the Liberals we would have to throw away that chance of getting a real majority not merely for a few months but maybe for years".

And what would a full Labour majority mean for the Liberal Party? Steel's blessing? It is not a matter of guesswork. *Labour's Programme for Britain 1976*, a party document of continuing validity, set it out in general. The answer is more and more draconian redistribution of national wealth, savage cuts in defence and welfare, and a more and more authoritarian Leninist-Marxist rest that a minority Labour Government under the leadership of Mr. Peart would be forced to abandon.

This is where Mr Steel and his particular pact are exposed, perhaps for the first time, as Liberal opportunists. They have chosen collectivism rather than individualism. It will be said that in return for the vanity of power-sharing today by 13 parliamentary Liberals they are prepared to run the risk of trading off their historical principles and the distinctive platform that has won them between five and six million votes in recent general elections. It is yet another of several pacts entered into by the Liberal Party which liberalism looks like being

From Air Chief Marshal Sir Ralph Cochrane, RAF (ret'd)
Sir, In your issue of August 10 you printed an account of a proposal by Mr Claude de Turville of the CCR research establishment, Portsmouth, to convert the organic material in marine and other sediments into methane gas and a fuel comparable to coal. It is suggested that the

to coal. It is suggested that the volume of sediments available could provide a significant energy source over a long period. It is surprising, therefore, that in his letter to you of August 16, Mr Nijel Haigh, Vice-President of the European Environmental Bureau, should have overlooked the possibility of the likely effects of large scale nuclear programmes and make no mention of the possibility that such programmes may prove unnecessary.

Is it that an acute awareness of the fact that the mud is hard to accept? The next stage would therefore seem to be a public inquiry which would provide reliable information on all aspects of the problem. The question of whether inquiry is doing in relation to the reprocessing of nuclear fuels,

May I urge, Sir, that you use your influence to ensure that it is possible to make a properly informed judgment on this truly revolutionary project, which if substantiated could profoundly affect life on this planet. I have in mind also the immense benefits which would accrue to the British plant industry if a world demand could be established for a process patented in this country.

Yours faithfully,
RALPH COCHRANE,
Grove Farmhouse,
Shipton-under-Wychwood.

From Sir Oswald Mosley
Sir, May I deal briefly with the
allegations of your correspondent
Mohammad Aslam (August 13), and
discuss the serious issues raised.
The force which I called my
private army was created before the war in
order to restore free speech to Britain
for several years. Previously
speakers such as Lloyd George,
Churchill and many well-known
Conservatives had been shouted
down almost continuously. Free
speech, except at carefully ticked
meetings, had been outlawed.
I was then seeking fresh support
but had either to preserve order
or close down.

The attack on my Olympia meeting was openly prepared three weeks in advance, and an imported mob marched on the building to prevent the entry of others and to enter and stop the meeting themselves. They were armed with such weapons as iron bars and razors which they used freely even on women. After due warning they were finally ejected by my supporters using only their bare hands, and the speech was delivered to an audience of 15,000. Our people

In east London no halls of this size were available, and we depended on marches and open air meetings. In the LCC elections of 1937 we polled 23 per cent of the votes recorded, when only householders had the vote. If the young had then had the vote we should have won easily. After the war in

have won easily. After the 1936 election, when we would get 30 per cent. Is it seriously contended that we had no right to go there?

Our march starting at Cable Street was banned on the grounds that it would not be peaceful. The uniform of the "private army" was necessary to be provocative, but was needed to recognize each other and the fight against common enemies. By the time of the meeting in the Earls Court Exhibition Hall in 1939 with an audience of 30,000 the fighting had been over for several years.

It is the first time to agree that public order should be preserved not by a private army but by the police. It is only when government is too weak to keep order that the private army is called out. It is a mistake to think free speech must be maintained because it is rightly regarded as the basis of democracy, but the streets must not be closed to people on their ordinary business

complicated since the winning of municipal power by Labour majorities which have closed town halls etc to their opponents.

I suggest that all public halls should be available by law to all parties. If they could draw audiences of 30,000 to fill Earls Court they would surely get television as well. With the freedom of speech thus assured the streets need no longer be closed by mass demonstrations or picketing.

The duty of maintaining order should rest only with the police force, properly paid and treated. The idea that policemen should be knocked about in order to appear the victims rather than the victors should be discarded. They should be supplied with all the non-lethal means modern science provides for dealing with riots. Must such methods await a national government drawn from the whole nation and capable of effective action?

OSWALD MOSLEY,
1 rue des Lacs,
Orsay,
France 91400.
August 16.

From Mr A. G. K. Hart
Sir, May I suggest a possible solution to the problem of freedom and the right to march?

Any group wishing to hold a demonstration (march, meeting, picket, etc) should deposit a sum of money large enough to cover all damages to the general public;

to property; to the police; and to cover the cost of providing extra services such as police escorts; arranging for the highways to be cleared; provision of medical services.

Any damages or other extra costs incurred would be then payable out of the deposit.

It seems only reasonable that persons wishing to pursue their programs at the expense of other

freedom at the expense of other people's liberty should provide compensation, at least on a cash basis.

Clearly, those groups who hold meetings and who go on marches

One could see advantages in requiring football clubs to pay a

deposits before Saturday matches,
particularly local conflicts.
Yours faithfully,
A. G. K. HART,
20 Moss Lane,
Cuddington,
Cheshire.

THE TIMES

BUSINESS NEWS

Oldham
for industrial
development
Phone Shaw 44411

Mr Carter
supports
oil tanker
policy, page 17

Attraction for big investors boosts National Savings towards record

Christopher Wilkins
National Savings continued to grow rapidly during July and it seems certain that the record net inflow of funds recorded in the 1976-77 financial year will be handsomely surpassed this year.

Net new savings during the six weeks to July 30 amounted to £249.5m. This compares with £2m during the previous four weeks and to a mere £24.1m in the last year.

The result is that in the first six weeks of the present financial year, net savings have already reached £580.8m, well on way towards the record £640m achieved in the whole of last financial year. In 1975-76, the net inflow was £561m, the main reason for the huge rise in the latest five weeks being a 35 per cent increase in the popularity of the National Savings Bank Investment Plan, which offers a 10 per cent interest rate on new investments of £50,000 or more.

Net inflow into these plans during the period was £18m, bringing the total so far to £1.1m. Sir John Anstey, chairman and president of the National Savings Committee, said that institutional investors were the key factor.

In view of the new limit, it seems certain that the figures will show a big drop in the inflow into investment accounts since most institutions are already up to the £50,000 limit.

The limit was introduced to a huge inflow of money. A



Sir John Anstey: institutional investments a key factor.

similar limit had been in existence until two months previously and it now appears that the authorities, when they dropped it, had not anticipated how attractive the investment account would become to institutions as a result of the rapid fall in interest rates. The investment account was primarily designed for small private investors.

The second largest contributor to the total savings inflow came from net sales of savings certificates of £24.7m, which was £2.5m more than for the same period last year. Save-As-You-Earn produced a net inflow of £5.5m and Premium Bonds £5.6m.

Financial Editor, page 17

Survey finds growing confidence in farming

Hugh Clayton
Evidence of growing confidence in farming appears in the latest survey of fixed capital investment by the Country Owners' Association, Mr. de Salis, economics secretary of the association.

"In the past six months are clear signs of an increase in work under construction and work ordered."

The survey, which covers 900 acres in England and Wales, shows that although investment has been curbed on farms of less than 500 acres, it has risen on larger estates.

Total investment per acre on farms of less than 500 acres was £10.18 in the six months to this year, compared with £9.19 in the comparable months of 1976. On farms of 1,000 to 2,000 acres the total rose from £12.02 last year to £12.02.

The cost of work ordered but not begun recovered early in the year to reach £1.31 an acre in the survey period, up from £1.14 a year earlier. The cost of work to be

contracted for in the next six months rose from £1.45 an acre in the six months to May last year to £2.08 a year later.

That rise, equivalent to 43 per cent, shows that there are signs of intentions by farmers and landowners to raise the volume of investment. The survey supports the Government's claim that agriculture is in a healthier state than farming organizations will allow.

Two cuts in feed prices in the past month combined with prospects of good cereal yields and ample winter livestock feed are helping to stimulate some optimism on the land against fears of a wealth tax and further cuts in food consumption.

Assessments of farming confidence are confused, because ministers and officials are playing up every morsel of information that suggests improving conditions after two seasons of poor yields and low support prices. The same time, organizations like the National Farmers' Union maintain that confidence has not recovered.

Spear sells Swedish offshoot for £6,500

By Our Financial Staff
In a highly unusual deal, the hand-tool manufacturer Spear & Jackson International has sold for only £6,500 a Swedish subsidiary it acquired three years ago for £250,000.

The subsidiary, AB Spridberg & Björck (S & B), which makes woodcutting tools, has been sold to its managing director, Mr. Nils Dahlquist, who was brought in by Spear to run the business two years ago.

Reflecting the uncertain future of the company, Spear has agreed to pay Mr. Dahlquist a three-year consultancy fee of £6,500, and will also have to pay him one year's salary of £25,000 if & B becomes insolvent.

British Resolution is the lynchpin of this operation. It will shortly receive its first cargo of Alaskan crude from another supertanker and will

Floating base to solve problem of marketing crude oil on east coast

BP supertanker aids Alaskan flow

By Roger Vietrove
Energy Correspondent
One of British Petroleum's supertankers, the 266,000 dwt British Resolution, has been converted into a floating transshipment terminal and anchored in the Gulf of Panama in an attempt by BP to solve the problem of marketing Alaskan crude.

Faced with difficulties in selling all its Alaskan crude to refineries on the west coast of America and delays in approval for a pipeline link from California into the main United States oil distribution network, BP has been forced to transport its surplus Alaskan crude to its own refineries on the eastern seaboard via the Panama Canal.

British Resolution is the lynchpin of this operation. It will shortly receive its first cargo of Alaskan crude from another supertanker and will

then discharge the oil into smaller vessels—up to 60,000 tons—which can negotiate the canal.

Soujo's share of Alaskan output is now about 380,000 barrels a day, of which 250,000 barrels will go straight into west coast refineries under contracts which have already been signed.

The remaining 130,000 barrels a day will be shipped to the east via the Panama Canal but the use of this route will increase considerably when Alaskan output reaches 1,200,000 barrels a day next spring. BP/Soujo's share of the oil will then be about 640,000 barrels a day.

Competition has been fierce among the partners in the Alaskan oilfield to sell crude into the west coast rather than find more costly means of marketing.

Recently the Exxon Corporation stepped in and sold 100,000

barrels a day to the Standard Oil Company of California, undercutting BP/Soujo, which had been unable to agree on a price for the oil.

Industry sources say Exxon was offering Alaskan oil at \$1 a barrel less than BP/Soujo.

There is plenty of scope for a kind of manoeuvring over prices as moving the oil through the Panama Canal to terminals in the Gulf of Mexico is about \$2 a barrel more expensive than shipping the oil to California.

Soujo is hoping that the use of the canal will be only temporary. It has submitted plans for reversing the flow of an existing pipeline bringing gas into California so that crude can be pumped into the main United States pipeline network.

A decision by the California authorities on the plan is expected by October 1, and it would take another 18 months to carry out the modifications and extensions to the pipeline.

Having run into problems over pipeline permissions in the past, Soujo is taking nothing for granted and the British Resolution is scheduled to stay on station for at least two years.

There is even talk of a permanent transshipment offshore terminal in Panama.

Flow resumes: Oil resumed flowing through the trans-Alaska pipeline early on Saturday after being stopped for four days because of a leakage at a pump house about 75 miles south of Fairbanks.

About 1,200 barrels spilled out of three drain valves accidentally left open, and the pipeline company stopped the flow for 103 hours to check all pump stations.

On July 8, a man was killed in a pump house explosion—one of several incidents which have interrupted the flow of oil since the 800-mile pipeline opened on June 20.—Reuter.

Court decision threatens Bonn's nuclear power programme

From Peter Norman
Bonn, Aug 21
After months of relative calm, the nuclear power question has again been pushed to the forefront of public discussion in West Germany, following a court decision which, it is feared, could cripple fast-breeder reactor development in the Federal Republic.

Last Thursday the higher administrative court in Münster, North Rhine Westphalia, called on the Federal Constitutional Court in Karlsruhe to check whether the authorization to build a 300 megawatt fast-breeder nuclear power station at Kalkar, near the Dutch-German border, conformed with the constitution.

The court in Münster has questioned whether a state government can authorize the building of a project such as that at Kalkar.

It is argued that the building of a fast breeder power station, which will in due course produce a large amount of

potentially dangerous plutonium, should be treated as a national issue and authorized solely by a national parliament, and not by a state administration under the terms of the current West German "atom law".

Building at Kalkar began in 1973 and the power station is about halfway to completion. About DM1,000m (about £238m) have been spent on the project to date, and firm orders worth a further DM970m have been placed with contractors.

The fast breeder reactor has been heavily supported by the West German Federal Government, which sees it as filling an important part of the country's energy requirements towards the end of this century.

Last week's court decision did not call for a halt to work at Kalkar, but it is feared that the North Rhine Westphalia Government will now withhold official approval for the next stage of the project, due at the beginning of September. This would bring building to a halt, and endanger an estimated 8,000 jobs.

Meanwhile pressure has been building up in the Social Democrat and Free Democrat parties for a moratorium on nuclear power station building. Dr. Hans Matthöfer, Bonn's Minister for Science and Technology, has said that resolutions to this effect at this autumn's SPD and FDP party conferences are almost unavoidable.

In response, Dr. Matthöfer, who is an enthusiastic supporter of nuclear power, has been writing to his colleagues in the Social Democrat party to underline the dangers likely to arise from a pause in nuclear power station building.

According to the minister, a pause of several years would lead to a gap of 10,000 megawatts in Germany's electricity generating requirement by 1985.

In his view, the upshot would be rising unemployment, a technological gap between Germany and other nations continuing with nuclear power development, and increasing cost pressures on German industry and commerce.

Cost of oil 'will double by 1985'

World prices of oil will have doubled by 1985, it was forecast at the weekend by Mr. George Williams, director-general of the United Kingdom Offshore Operators Association.

Mr. Williams said on the Tyne Tees Television programme "Face the Press".

"We are now using more oil than we are finding, and that means it's becoming more scarce, so inevitably the price is going to go up."

Some politicians tended to overstate the case for North Sea oil, giving the impression it would solve all our problems, "which is certainly not the case, because it's expensive," he said.

He agreed that oil should be simply regarded as a bonus and that Britain should put its economy right by other methods.

At the same time, if used intelligently, Britain could become as prosperous as America or West Germany. He estimated that the ultimate reserves in the North Sea would last 20 to 30 years.

Asked what profits the Government could expect from the North Sea, he replied: "Almost certainly the Government is going to be collecting taxes of several thousand million pounds a year."

He agreed with the suggestion that in the next Budget in April the Chancellor would be in a position to cut taxes by £1,000m or even £2,000m more than he could otherwise have done.

But he stressed the need to use some of the huge capital income from oil to look for alternative energy sources. Britain had to find a substitute for oil in the next three or four years, or it could be faced with considerable changes in the standard of living and the use of energy.

Detroit puts new cars on road to fuel economy

Lighter, smaller, more fuel-efficient cars with improved emission control systems will be moving from Detroit to showrooms across the United States in the next few weeks. The 1978 models that are about to be launched represent major changes in the American car industry.

General Motors, Ford and Chrysler have reluctantly moved toward making more sensible cars.

Government regulations have forced them to improve emission and fuel-efficiency standards. Foreign competitors have forced them to move away from their love affair with large automobiles. Rising raw materials costs have also forced them to start designing more compact cars.

Radical as the new models will be compared with their predecessors, the new cars will still appear big and inefficient to European eyes.

What the American calls an "intermediate" sized car is what the Englishman thinks of as a Miniature and what the American calls a compact car is what in England would be termed a large car.

The new American small cars, which for the first time will be offered in large volume by the three big Detroit firms, are still considerably larger than British Leyland Minis.

Fuel consumption of the new models is likely to be in line with the Government mandated 18 miles a gallon standard for 1978, an improvement of a few miles per gallon over the 1977 ranges.

By 1980 the average should be up to 20 miles a gallon, rising to 27.5 miles by 1985.

The new cars are involving Detroit in a massive programme of retooling, which fortunately are coming at a time when the companies are enjoying record profits.

Ford alone estimates that its total capital spending will be about \$8,000m (about £4,571.5m) for the four years to the end of 1980, 60 per cent more than in the previous four years.

Americans will be forced to change their views of the automobile and the resistance to smaller cars already appears to be far less than the top executives of the big car firms have constantly suggested.

Demand for small cars has increased since President Carter's energy speech in April and imports, as a result, now account for 20 per cent of the United States market.

Consistent lobbying of the car makers finally forced the Government to relax its initial tough anti-pollution standards.

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Consistent lobbying of the car makers finally forced the Government to relax its initial tough anti-pollution standards.

Liverpool's dockers claim 20 pc

Dockers at the port of Liverpool rejected at the weekend the 5 per cent pay proposals put forward by the employers in the current negotiations.

They then voted unanimously to support any move, including strike action, which is decided at a meeting of the national shop stewards to be held in Birmingham on Saturday, September 2.

The more than 3,000 present reiterated their demands for a 20 per cent minimum wage increase, in line with the national stewards' campaign, a 35-hour week, better bonus rates and six weeks' annual holiday. This would mean £100 a week in the higher brackets.

Fukuda hint of further cut in discount rate

Tokyo, Aug 21.—Mr. Takao Fukuda, the Prime Minister, indicated today that his Government will take more expansive monetary measures, including another cut in the official discount rate.

"A supplementary budget for additional appropriations and some monetary measures will become necessary," Mr. Fukuda said in a television interview for broadcast tomorrow at the resort of Hakone, west of Tokyo, where he was on vacation.

The Bank of Japan cut the discount rate—the rate the Central Bank charges for short-term loans to commercial banks—by 0.5 per cent in March and by 1 per cent in April to 5 per cent, in a reflexive effort. Agency France-Press.



Mr. Fukuda: Planning more expansive measures.

Fewer plan price rises, CBI says

By John Huxley
Slightly more than 50 per cent of respondents to the Confederation of British Industry's August economic situation report expect to increase domestic prices over the next four months.

The lowest figure recorded since companies were first asked two and a half years ago about price intentions each month. Including the quarterly industrial trends survey, it is the lowest figure in four years.

The CBI commented: "There has been a consistent easing in price expectations since the end of last year. This month it is widespread throughout manufacturing industry, with the exception of mechanical engineering where expectations are little changed."

The balance of companies who consider total and export order books to be below normal is slightly more favourable than in the previous month's survey. Again, stocks of finished goods are particularly low in the consumer goods sector—thought to be more than adequate.

However, the CBI said that because it is only the fifth occasion that companies have been asked to comment on order books and stocks, the results must be treated with caution.

There has been little change in the output expectations of manufacturing industry for the next four months. "More buoyant expectations in the intermediate goods industries are more than offset by a slight weakening among producers of consumer goods and a more pronounced weakening in the output expectations of capital goods producers," the CBI said.

August is one of four months in the year when the CBI does not produce a full economic situation report.

House of Fraser

Interim Statement for the 26 weeks to 30th July, 1977

The unaudited results of the operations of the Group for the 26 weeks to 30th July, 1977, excluding Associated Companies and Exceptional Items, are set out below with the comparative figures for the 26 weeks to 31st July, 1976 and the audited figures for the 52 weeks to 29th January, 1977.

	26 weeks to 30 July 77	26 weeks to 31 July 76	52 weeks to 29 Jan 77
£000	£000	£000	£000
Total Turnover	224,041	189,306	463,631
Less: Value Added Tax	14,459	12,817	34,308
Turnover (excluding Value Added Tax)	209,582	176,689	429,123
Trading Profit	10,834	7,849	36,003
Less: Depreciation	2,334	2,039	11,335
	8,500	5,810	31,868
Less: Interest paid less received	2,929	2,469	5,406
Operating Profit	5,571	3,341	26,462
Associated Companies — Share of Profits less losses	—	—	340
Surplus on sale of Properties and Investments	—	—	874
Profit before Taxation	5,571	3,341	27,676
Taxation (52%)	2,897	1,737	14,213
Profit after Taxation	2,674	1,604	13,463
Preference Dividends	16	16	32
Attributable to Ordinary Shareholders	2,658	1,588	13,431
Earnings per Ordinary Share of 25p	2.19p	1.27p	11.05p
It has not yet been found practicable to comply with International Accounting Standard No. 4 in respect of the provision for depreciation of buildings but it is estimated that this would be in the region of £600,000 for the 26 week period.			
The Share of Profits of Associated Companies and Surplus on Sale of Properties and Investments are dealt with only in the year-end Accounts.			
The earnings per Ordinary Share have been calculated using the 121,508,602 Ordinary Shares of 25p on issue throughout the periods.			
Interim Dividend on Ordinary Shares			
The Directors have declared an Interim Dividend on the Ordinary Shares on account of the 52 weeks ending 29th January, 1978 of 1.6394p per share (1.5125p) absorbing £2,051,263 (£1,837,818). Warrants will be posted on 7th December, 1977 to Shareholders on the Register at the close of business on 28th October, 1977.			

BRADY

INDUSTRIAL DOOR MANUFACTURERS

RESULTS FOR THE YEAR ENDED 31st MARCH, 1977

	1977	1976
£000's	£000's	£000's
Group Turnover	16,650	15,349
Group Trading Profit	390	502
Extraordinary Credits	147	Nil
Group Net Profit	346	449
Dividends Paid & Proposed	211	211
Earnings Per Ordinary Share	6.4p	12.2p

The 42nd Annual General Meeting of BRADY INDUSTRIAL DOOR LIMITED will be held on 13th September, 1977 in Manchester.

The following is an extract from the circulated statement of the Chairman, Mr. A. E. Ross Seymour:

The Door Manufacturing and Engineering Division profits were greatly reduced by a complete stoppage of production in our largest factory during the latter part of the year. The Merchandising and the Litho & Letterpress divisions made better contributions to profits and the loss the Transport Division had been reduced.

A final dividend of 3.125p per Ordinary and Ordinary Share is proposed, making a total for the year of 6.25p per share, the same as last year.

Orders in general are running at a level comparable with last year but we would like to see an increase in orders utilise in full the capacity available within the Group.

TELEFONAKTIEBOLAGET L. M. ERICSSON

9 1/2% Bonds 1991

NOTICE OF CORRECTION OF SERIAL NUMBERS OF BONDS DRAWN FOR REDEMPTION 15TH SEPTEMBER, 1977

The list of Serial Numbers of Bonds of the above named company published in this newspaper on 16th August, 1977 is hereby cancelled and substituted by the following:

The Bonds drawn in accordance with Serial Number 35015 and 17 twentieth number thereafter to the final bond number 95 i.e. all bonds so drawn and in one of the following two figures:—

15, 35, 55, 75, 95

G. Warburg & Co. Ltd.,
Greens Street,
100, EC2P 2EB.

22nd August, 1977

Mr Lance's affairs prompt major investigation of top US bankers

From Frank Vogel
Washington, Aug 21
A major investigation is to be launched by Congress banking committees into the personal affairs of leading United States bankers.

The move comes after the release of a bulky and detailed report by the Office of the Comptroller of the Currency concerning past banking transactions of Mr. Bert Lance, Director of the Office of Management and Budget.

It also appears likely that other congressional committees may reconsider whether Mr. Lance has the skills necessary to manage the nation's finances.

The report has provoked widespread comment on his abilities.

Mr. Eric Severeid, a CBS network broadcaster, said on national television that Mr. Lance—"the second most important member of the Administration"—had arranged his financial affairs in such a crazy quilt that it raised questions as to whether he would organize the finances of the nation in a similarly haphazard manner.

Investigations by the banking committees have been prompted by the comment in the report that his "recurring pattern of shifting-bank relationships and personal borrowing raises unresolved questions as to what constitutes acceptable banking practices."

Documents released by the Comptroller's Office show that over the past three years Mr. Lance obtained substantial loans from a number of large banks.

They were the First National Bank of Chicago, the Manufacturers Hanover Trust Company of New York, the Chemical Bank of New York, the Citizens and Southern National Bank of Atlanta and the United American Bank of Knoxville, Tennessee.

He had further loans from a wide selection of minor southern banks. Almost all the deals were with banks having significant links with the National Bank of Georgia that Mr. Lance headed.

Most of his large personal loans were supported by shares he owned in the National Bank of Georgia and in the Bank of Calhoun, which he ran before joining the National Bank of Georgia.

He also had life insurance policies of about \$2m (about £1.15m) which he used as collateral.

What is bound to attract most attention, however, is the number of loans Mr. Lance obtained without offering any security.

Further questions will be raised by evidence of the casual manner in which he sought loans from banks already having profitable dealings with the National Bank of Georgia.

Congressmen may wonder, for example, if it is standard practice for one top bank executive to write to another in the manner Mr. Lance did to an executive of the National Bank in January 1976.

His letter, in his own handwriting, reads:

Dear George,

Was good to visit on the phone.

Sorry I missed seeing you Thursday. I need to borrow \$265,000 to make payments on bank stock. Thought I would have said by now, but it is not the best time.

Would like for it to be due 12-15 at which time I will take it out and make substantial payment.

I need the funds the first part of next week.

Hate to bother you with this, but I appreciate your willingness to take a look.

Enclosed is my statement.

Regards, Bert

The documents disclose that Mr. Lance still has substantial personal loans outstanding. They detail his agreements with the First National Bank of Chicago last January giving him a credit line of up to \$4m.

The bank gave him an unsecured loan for \$1,625,000 and a secured loan for a further \$1,800,000. The National Bank of Georgia had a correspondent banking relationship with the First Chicago at the time.

Security offered by Mr. Lance against the \$1,800,000 was \$2m of life insurance from three different companies plus 162,929 shares of the National Bank of Georgia valued at \$17 each as well as 8,975 shares of the Bank of Calhoun valued at \$18 each.

Mr. Lance also has outstanding an assumption of loans from the United American Bank of Knoxville.

He has two personal loans and one loan that he has personally guaranteed for a company called the Lancelotti Company which together total \$365,000 and for which no security was required from him.

Mr. Lance has personally guaranteed two further unsecured loans with a combined value of \$625,000 from the same bank.

So far it is impossible to determine the level of all Mr. Lance's outstanding loans. It is also not possible to measure the extent to which he took advantage of his positions in Georgian banks to secure large overdrafts.

It is disclosed that in late 1974 members of his family had a total overdraft of about \$450,000 at the Calhoun Bank and that his wife regularly had overdrafts there ranging up to \$110,000.

MANAGEMENT

Edited by Rodney Cowton

Argos in calmer waters

It may be that the Argos discount chain, named after the famous Greek ship the Argo, will, after all, bring home the Golden Fleece for its founder Mr Richard Tompkins. For having survived four extremely difficult years, Argos distributors are set for growth, although on a much more modest scale than was hoped when it was founded.

As it was, the first 17 stores nearly founded under the unexpectedly large numbers of customers which were attracted by the discount prices. The sophisticated computerized system linking showrooms, stockrooms and warehouses faltered under the weight of manual changes from show-room managers desperate to obtain supplies.

Catalogue

Argos is still, probably unduly, self-conscious about the possible ill-will caused by not being able to supply its first customers.

Mr Joe Phillips, managing director of Argos, describes the catalogue as "making a promise" which the company has to live up to both in the availability of goods and their price. Despite the difficulties during periods of rapid inflation, Argos has never increased prices during the life of a catalogue, (which come out at approximately six-monthly intervals) he says, except when there have been Government-imposed price changes such as to Value Added Tax rates.

Availability of goods, the early bugbear, has been improved to the point where 95 per cent of showroom customers can take immediate delivery of the articles they come in for. The company takes the remaining 5 per cent extremely seriously.

Unlike conventional retailers it can, and does, record its "lost sales". For on entering an Argos showroom, the customer fills in an order form code which records the number and description of the article he wants to buy. Therefore, if the item is not in stock there is nevertheless a precise description of the "lost sale".

This information is used in compiling replacement orders together with the more usual record of actual sales. It is also used to guide merchandise buyers. This can lead to the unusual situation where during boom sales of, for instance, gardening equipment, instead of being congratulated on

achieving a sell-out, buyers can be chastised for not ordering enough.

Flexibility in being able to vary the selection of merchandise more easily than conventional retailers to meet seasonal or other factors is one of the fundamentals of the Argos system. The new autumn catalogue out this week contains between 2,500 and 3,000 different items, (down by about 1,000 from the inaugural 1973 catalogue which was generally agreed to be too many). Compared with the Spring catalogue it contains about 250 toys as against a mere 80 to cater for the Christmas demand.

This is a crude example of the sort of changes which can be made. Another, more subtle instance, is the phasing out of heavy electrical equipment such as freezers, mainly because their margins were too low since competition from already established discount outlets has been fierce.

The company has learnt a lot over the years in the mixture of merchandise it selects for its catalogue. Although it went to the best sources available for information in setting up the operation back in 1972-73 a lot of the early intelligence has proved wrong. For instance, in America jewelry has been a big seller in catalogue showrooms, but Argos which went into jewelry in a big way in the early days did not find it as successful in Britain.

Customers

Some of the suppliers' information about their best-selling lines also proved incorrect.

Preliminary market research indicated that customers would come from the upper income ABC1 socio-economic groups which, it was thought, were the most susceptible to discount prices. In the event more customers are coming from lower-income families than was expected.

Another fundamental of the Argos system is rapid stock movement. The company reckons completely to turn over stock six times a year. While comparisons are difficult, it believes this to be quicker than any of its competitors.

The showrooms, of which there are now about 60, carry about five weeks' stock. Deliveries to them from two central warehouses are made within three days of the order being placed.

Improved information to-

gether with its present very large size has enabled Argos to establish improved relationships with its suppliers. When it first started, for example, the company because of its inexperience did not take account of the complete holiday shut down of many manufacturing plants. This would not happen today.

Argos aims at a business with exceptionally high volumes and low overheads. In addition to the rapid stock turn economies can be achieved in the siting and management of showrooms. Sited in off-centre, and consequently cheaper, locations these aim to make maximum use of the available space. Behind the showroom's display area, possibly above or below ground—again with cheaper rents—the stockrooms can carry through vertical stacking 10 times as much merchandise as conventional shops.

Showroom

The system of showroom plus stockroom has enabled Argos to achieve the amazingly high annual sales figure of £1,000 per foot of showroom space. Although Argos's different system of retailing makes direct comparison impossible, it is interesting to note that the figure for Marks and Spencer's Marble Arch store, quoted in the Guinness Book of Records, is believed to be about £800 per square foot.

Although it will admit that it made a lot of mistakes and this, with the general economic recession, badly stunted growth (when it was launched the plan was for 300 showrooms to be opened by mid-1976) the basic systems are now working very well, according to Mr Phillips.

With a turnover expected to reach £55m-£60m for the year ending in October, double the 1976 figure, Argos is now ready to resume its expansion programme. Six new showrooms are due to open by the end of the year to bring the total to 65. Twenty more are to open in 1978 and by 1990 the chain should number at least 100.

From being the poor relation to Green Shield, its sister company, Argos having defeated its many sceptics seems not only here to stay but in the process of becoming an important force in non-food retailing.

Patricia Tisdall

Where charities can tap a range of skills

A company that plans to enter a new line of business can call in consultants to assess feasibility. When it has to make a choice between several kinds of equipment or various ways of doing things, it can buy in the necessary expertise. But what can a charity, with little or no money, do in similar situations?

The answer used to be, usually, that it took a chance and muddled through. Now, however, there is a better option—thanks to an initiative of the Central London branch of the British Institute of Management.

Under the slogan "In Business for the Community" branch members got together a year ago to offer spare-time help, free, to charities and community groups. Over 100 members are on call at present and since the BIM covers the whole management spectrum, that means that charities can tap a range of skills from work study to public relations.

According to branch chairman Tony Licudi, young managers have been particularly keen to volunteer and requests for assistance are coming in at the rate of five a week (180 have been processed in the first year). Inflation and the need to get maximum value from dwindling support grants are increasing the pressures on voluntary groups.

Often good-cause and community projects are run by people who lack business experience, so just to be able to talk to someone trained in management can be a great help.

"Usually these groups are quite capable of working out their own salvation once they have identified the real problem," says Licudi. "That is the hard part and that is where we find we can help because of our business background."

Crofton Voluntary Services are trying to set up a pooling arrangement for transport for the disabled. Through the IBFC scheme, they now have guidance from a man who has held a senior post with the Automobile Association.

The North Camden Community Health Council was having trouble coping with the mass of paper that came their way. A top administrator with the GLC visited their office and helped them create an information storage system of a type appropriate to their needs.

"We're certainly more efficient now," said community worker Jean Greenfields. "We've also cut down the amount of time we need to devote to the more tedious office chores."

Another IBFC volunteer helped a refuge for battered wives to get its accounts in order; the word got around and the service has since helped two similar refuges in other parts of London.

In many cases the volunteers strike up a relationship with their "clients" that continues indefinitely. A typical case is that of four young clergymen in east London who sought advice on how to improve the effectiveness of their team ministry.

Two BIM men with different backgrounds were put on the case. They met the clerics and made them put their aims and objectives down on paper. The ministers were asked to record every activity for a month on time sheets.

"Our advisers made us think much more clearly about what we are trying to do and how we are going about it," said Rev Stephen Lowe. "We are continuing to work together and it has been a great help."

Incidentally, the BIM men told the clergy that they were working excessive hours—and showed them how they could get the same work done in less time.

When a charity happens to be concerned with white-collar workers, like the Apex Trust, then the BIM is particularly well placed to assist.

By offering facilities for a seminar at Management House on September 7, they are helping the trust, which seeks to improve employment prospects for ex-offenders, to reach a greater number of employers.

An IBFC volunteer who runs her own employment agency, Jane Crosthwaite, has also assisted the Apex Trust, using her professional experience to assess samples of the case histories of clients the trust has been sending to potential employers.

Expertise in the work-study field puts some IBFC volunteers in a good position to advise sheltered employment projects, such as the one that the Abbey Disabled Action Group, in Woolwich, is in the process of setting up.

The group has taken over a disused building on a council estate, to provide a centre where the disabled can make things and thus feel more useful. This initiative was made to an organization "Executive Reserve".

Philip Barron

Executive Reserve

Under the headline "placing the unemployed executive", in this space last week, reference was made to the new organization "Executive Reserve". The correct and full name is Executive Reserve (Manpower Services) Limited.

Business appointments

Chairman for Firth Cleveland

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LETTERS TO THE EDITOR

The urgent need for full-time specialist staff on select committees

From Mr Anthony Cockerill Sir, It is to be hoped that the forecasts of your correspondent, Mr Geoffrey Smith (August 12) of the recommendations of the Select Committee on Procedure will prove correct, and that, in due course, they will be implemented.

Few who have had the privilege of serving a select committee can fail to appreciate the potential which the system offers for effective parliamentary monitoring of the policies and actions of the Executive.

One of the most impressive features is the ability of many committees to reach unanimous and constructive conclusions which frequently transcend consideration of narrow party interest.

Unfortunately, under present arrangements this potential is not fully realized. Detailed inquiries into particular topics tend to be undertaken infrequently, a considerable period

often elapses between the beginning of an inquiry and the eventual report, and there is little opportunity to follow up the extent to which the Executive implements, or even actively considers, recommendations.

Further, the appointment of committees for the duration of a single Parliament and changes in membership, make continuity of study a problem, and a substantial (and time-consuming) relearning exercise is necessary for each successive inquiry into a particular topic.

Staff resources are very limited, since reliance is placed on a clerk and part-time specialist advisers.

If greater emphasis is to be placed upon specialist select committees in future, these deficiencies will be in urgent need of remedy. Full-time specialist staff will be required, who, it is hoped, would develop procedures for the collection and analysis of statisti-

cal data and other information spanning successive Parliaments. They might also be given responsibility for preparing independent staff papers and reports, in a manner similar to that already employed some US Congressional committees.

These reports would serve as a basis for committee inquiries, which would be shortened in duration as a result. To increase their impact further, committees could issue interim or regular reports on their deliberations and the interests of open government—could extend the practice of public hearings. One full variant of this would be simultaneous oral examining of witnesses with conflict views.

Yours faithfully, ANTHONY COCKERILL, Senior Lecturer in Economics, University of Salford, Salford, M5 4WT.

When tourists travel and how they book theatre tickets

From Mr A. E. Eldon-Edington Sir, I refer to Mrs C. Gratus's letter from Acton Green, dated August 3. Victor Middleton, of the Department of Tourism, University of Surrey, has published a paper dealing with tourists' travel in London.

Tourists seldom travel in the rush hour and it is doubtful if they start from Acton Green at any hour—they are on holiday, travel later and return earlier, go theatre-wards round seven to eight and return again later. I am surprised Mrs Gratus did not bring up the other cliché—the terrible inconvenience caused by the 11 and 11.30 guard changing to travelling workers.

An American bogey on product liability

From Mr A. MacGeorge Sir, Mr J. A. Kimberley (July 27) implies that the pattern of awards in product liability cases in the United States are likely to be repeated in Europe if current legislative proposals go ahead. The Law Commission in its recent report, *Liability for Defective Products*, examined this question. They concluded that, for a number of reasons (some mentioned in Mr Kimberley's letter), soaring American insurance premiums could not be taken as an indication of the likely cost of product liability in this country.

There is no reason to believe that the exemplary and punitive awards of damages, common in the United States, would be allowed in this country or Europe, or that any contributory negligence by the victim would be ignored. The

As for the theatre, the same paper deals with the likely fate of theatres without the support of tourists. Their absence would spell death to many a theatre. When I get up especially early to buy tickets at the National Theatre I see a majority of quite ordinary non-tourist people queuing with me. Tourists generally book through their hotel hall porter or an agency.

Yours faithfully, A. E. Eldon-Edington, Member, Executive Council, London Tourist Board, 40 Dover Street, London, W1X 3BB, August 12.

Glasshouse crops from waste heat

From Mr Roy Hay Sir, May I refer to the letter from Mr J. Harvey on waste—in power generators (August 11, 1977). In 194 north Germany near Olden there was, and for all I still is, a splendid example of the use of waste heat from power station. This station built on a peat bog and fuelled by the peat. The heat was used to heat a range of commercial houses and also for heating soil over a large area of asparagus, which the Germans cutting if I remember right late February or March.

There is also a great deal of waste heat from other industrial plants such as distilleries a sign to me that one such heat could be in the reduction of glasshouse crops.

It may be objected that it is not room for acres of house, alongside such industrial establishments. However, it may now be grown with artificial lighting and soilless systems in solid buildings.

deed, such methods of growth might well become commonplace in the future and, therefore, would seem obviously suited to the consumption of waste heat. I would be interested to know if the CEGB investigated this possibility.

Yours faithfully, ROY HAY, Hortmore Farm House, Hortmore, Godingal, Surrey, August 11, 1977.

Scandinavians are taxed more highly

A survey of personal taxation and living costs in the main industrialized countries outside the Communist block shows there are three European countries in which executives are more highly taxed than in Britain. These are Denmark, Finland and Sweden.

Unit, shows that an executive, with a wife and two children, earning £7,250 in Britain would pay about £1,870 tax, as against about £2,456 in Sweden. On the other hand, in France, the lowest taxed country, he would pay only about £550.

The survey also shows that the cost of an executive standard of living in Paris is about

one-third higher than in London, while in Stockholm it is about 70 per cent more expensive than London, and in New York nearly double the London level.

"International Taxation and Living Costs. Available from Inbucon/AIC Salary Research, £75.

Redland Profits Increased by 30% to £34.16m.

"From a U.K. base of excellence, we have been able confidently to engage in joint ventures overseas founded upon our practical skills and experience. If I were asked to identify Redland's greatest single strength today, I should point to our achievement in working harmoniously with outstanding partners in twenty-five countries."

Colin Corness: Chairman and Chief Executive

Redland

Construction materials and services in 25 countries

Copies of the Annual Report can be obtained from the Secretary, Redland Limited, Reigate, Surrey

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Temple Bar Investment Trust Limited

(formerly Telephone and General Trust Limited)



Issue of:-

£384,704 4.2% Cumulative Preference Stock
£1,000,000 5% Convertible Unsecured Loan Stock 1985/90

The Council of The Stock Exchange has admitted the above Stocks to the Official List. The Stocks have been issued to Stockholders of the Company formerly known as Temple Bar Investment Trust Limited under a Scheme of Arrangement and Amalgamation which became operative on Friday 19th August, 1977.

Particulars of the Stocks are available in the statistical services of Extel Statistical Services Limited and copies may be obtained from the Secretaries of the Company, Electra Group Services Limited, Electra House, Temple Place, Victoria Embankment, London WC2R 3HP and from Capel-Cure Myers Limited, Bath House, Holborn Viaduct, London EC1A 2EU during normal business hours.

Coltess Group

INTERIM STATEMENT

A summary of the unaudited results for the 6 months ended 30th June, 1977 is set out below:

	6 months to 30th June, 1977	6 months to 30th June, 1976	Year ended 31st Dec 1976
Sales: (Note 1)			
Industrial fastenings	3,977,389	2,630,158	5,607,547
Bricks	820,463	719,455	1,539,918
Textile waste processing	321,638	231,273	552,911
Group turnover	4,219,840	3,580,886	7,300,376
Trading profit	467,459	471,177	938,636
Bank and loan interest	72,477	83,800	156,277
Profit before taxation	539,936	554,977	1,094,913
Provision for taxation (Note 2)	2,578,782	2,015,540	4,594,322
Net profit after taxation	189,495	189,787	370,591
Attributable to minority interests (Note 3)	37	376	753
Net profit attributable to shareholders	189,458	189,411	370,338
Dividends: Paid			
Proposed	78,560		
Per share	1.320p	0.813p	

Notes: 1. The interim figures are prepared from the group's management accounts and are unaudited. Turnover intra-group sales. 2. The provision for taxation for the six months ended 30th June, 1977 and the comparable figures for the corresponding periods of 1976 are based on the full current rate of corporation tax. 3. The interim results consolidate the group in Colson Investments Limited at 99.99 per cent (1976: 99.1 per cent).

John, no 10

THE EDITOR
all-time special
tees

BY THE FINANCIAL EDITOR

Institutional cash and the building societies

One of the most reasonable defences available to the building societies for holding their interest rates at present levels has been competition from National Savings and investment accounts. The latest figures show how fierce that competition has been.

In the five weeks to July 30 the net inflow of investment accounts was £206m after £30m the month before—big figures in the new of the societies' £320m net receipts for the month. With the investment account rising 10 per cent gross compared to the societies' 10.15 per cent, the case for not raising building society rates has been strong.

But that argument is now looking thin. All of the inflow during the past months, since restrictions on the size of investment accounts were lifted, has come from institutions. The £50,000 limit has now been restored, however, and the effect has been to stop new institutional investment in building societies. Since institutional money is of importance to the societies, one of its potentially most powerful rivals has been eliminated.

It is true, of course, that small depositors could still move into investment accounts if the building society rate was raised. But it is doubtful that this would be a real test of the societies' sensitivity to market money. There are practical disadvantages to investing in building societies compared to bank investment accounts which would deter the conscious.

For all the recent National Savings success, the societies are now looking increasingly exposed to allegations of foot-dragging.

stralian minerals

the question of reign finance

Australia about to alter its guidelines for investment in natural resources by foreign companies? From a one time laissez-faire attitude on this issue, the Government is believed to be questioning whether the existing guidelines that already exist are good enough. It may, instead, be planning to put the whole industry on the same footing as the uranium.

Because of its alleged unique status, uranium has been singled out for special treatment. A 75 per cent Australian ownership is required in all projects before they go to production. In the remaining key areas—oil, gas, other minerals, agricultural, forest, forestry and fishing projects—new investments involving more than \$10m must require only a minimum 50 per cent local participation, although a project need not be in the national interest may

Monetary choices for the accountants

Probably the bravest decision taken by the Accounting Standards Committee a month when it proposed its initiative to produce guidelines on inflation accounting supplement historic accounts was to include an adjustment for monetary items. Called it adjusting for the effects of inflation, but its inclusion nevertheless risked a whole project.

The monetary adjustments debate has belied the introduction of a satisfactory inflation accounting system from the outset. It decided that inclusion was a better way than the production of the misleading results that would result without it, and the profession has served to concentrate the minds on finding an acceptable solution. But there is still far from general agreement on the way monetary adjustments should be made.

There are two main suggestions. The first is to offset the additional depreciation and cost of sales provisions by the reduction of the group's capital employed which is financed by its creditors. Simple though it is, it is open to the objection that it may not always be able for a group to refinance its debt constant proportion to capital employed. Raising is a function of income and there is no guarantee that income will rise with capital values, or that interest rates will only rise in line with debt. The experience of the past few years

is that they do not. Thus this approach has considerable dangers in that it brings unrealizable gains into the profit and loss account.

There is growing support, however, for a system that aims to separate the effects of debt finance on working capital, particularly adjusting for gains or losses made by creditors and debtors from the effects of debt on shareholders' interest. This is entirely sensible. It allows banks to produce more realistic profits and prevents the kind of CCA distortion to the results of a retailer like Tesco which sells most of its stock before it has paid for it without creating the danger of bringing unrealized gains into the profit and loss account.

The major objection to this system is that a switch from creditor finance to bank finance would change the operating results. The ASC committee preparing the guidelines under Mr Bill Hyde, chief accountant of Oxford University is attracted by the second proposal but is stumbling over how to define working capital and borrowings for the purposes of making a separation.

A crude system based on offsetting the current cost adjustment by that proportion of capital financed by debt, therefore, looks the most likely to be implemented as a guideline. But it is debatable whether either industry or government will be happy with it.



Sir Mark Turner, chairman of Rio Tinto-Zinc.

come round to the view that foreign ownership of its natural resources has become a politically emotive issue and that to move closer to the Labour Party's stance may in fact be electorally beneficial. Plans to require 75 per cent local involvement in all raw material projects are now under active consideration.

The issue has come into stark relief as a result of the growing involvement of foreign companies in Australia's coal industry. Last week the Government ordered a 90-day freeze on a proposal by Conzinc Riondoo of Australia, which is 72.6 per cent owned by Rio Tinto-Zinc, to bid for Coal and Allied Industries together with Howard Smith Ltd.

However, there remains one key obstacle to Government efforts to extend Australian ownership. That is the lack of Australian capital. If the 75 per cent criterion was applied to the whole minerals industry, Australia's mineral development would be very largely choked off for shortage of local funds. As it is, a more nationalist stance by the Government might mean the drying up of foreign capital inflows anyway.

Mr Denis Healey spent the whole of the 1964-70 Labour Government as Secretary of State for Defence. It now looks an odds on certainty that he will spend the whole of this Government as Chancellor of the Exchequer. Such unbroken service at the head of a major department of state is almost unique in modern politics.

Only Lord Butler of Saffron Walden has had a longer unbroken spell at the Treasury in recent times. Mr Healey ought, therefore, to be a living answer to the general and valid criticism of our system of government, namely that ministers have only just as a rule had time to grasp the job before they are moved up or out.

There are parallels between the Healey performance at Defence and the Treasury. Once again he has established a formidable reputation as an operator and as an intellectual with his civil servants, though at the Treasury given his predecessor he had the advantage of a flying start. Equally in both cases, his growing authority has been based on a performance which involved

continual U-turns in policy. At defence the main U-turn related to the East of Suez policy. At the Treasury there has been the de facto conversion to monetarism and the abandonment of the policy of deliberate devaluation of sterling to compensate for lost industrial competitiveness.

When super-sonic flying was quite new it used to be said (I am sure without any technical justification) that the sudden problem for test pilots was that the sound barrier all the controls started having the opposite of the expected effect. A modern Chancellor might be forgiven for thinking that, in the current world depression and at current levels of inflation and uncertainty, economics and finance are behaving in much the same way.

Who would have predicted a month ago that a decision to revalue sterling against the dollar would have produced a rush of foreign confidence in the pound? Or that a steady decline of British interest rates compared with other major centres would be met with an accelerated inflow of hot money?

But, as well as being in charge of the economy, Mr Healey is a politician with residential ambitions. He will, therefore, be spending his summer break considering an economic strategy for the remainder of this administration that makes electoral sense. The Ladywood by-election result must be in his mind.

He will be aware of the fact that the severe recrudescence of Mr Roy Jenkins' 1969 Budget has gone into Labour folk memory as the main reason why the Conservatives won the 1970 election. And he can scarcely forget that his own 1974 spring budget and early expansionist policies are widely credited with a narrow winning of the second 1974 election (if also for the inflation and unemployment that followed).

There are strong voices now arguing that Mr Healey should use the unexpected strength of the pound and of the reserves to escape politely from the dialogue with the International Monetary Fund, perhaps even by back early some of the monies borrowed and go bald-headed for growth.

The political pressures on the Chancellor to renege must be the stronger for the Ladywood result. For, with a swing in such a seat of under 9 per cent against the Government, the serious possibility is raised that the Conservatives might not win the next general election.

For the previous six months it looked absolutely certain that the Government would lose a general election, however long they were able to put it off. Such a change is bound to influence a Chancellor's view of the timing and scope of reflation.

If this is indeed the direction in which he is likely to move in the coming weeks, he should reflect on the damage that is done to the economy and to long-run confidence by sudden large changes in either direction. It takes far longer than people once thought for changes in the level of demand or of interest rates to produce underlying changes in the economy itself. The anxious prayer must be that his reflation should be early and gradual, rather than in one large head-line-catching package later in the day.

President Carter's limited support for American-built oil tankers

After sitting on the fence for many months, President Carter has decided to bow to pressure from American maritime trade unions and shipbuilders' companies to support proposed legislation requiring greater use of American vessels for importing oil.

It is a decision that has outraged many economists, several top administration officials and foreign shipowners. The President's support will not, however, go as far as some lobbyists would have wished. Committees of Congress have been working on a Bill which would guarantee American ships a 30 per cent share of the American oil import market by mid-1980.

However, President Carter has indicated that he will support legislation only to the extent of raising the share of oil imports carried by American shipping to 9.5 per cent by October, 1982.

The Congressional Bill defines American ships as those registered in the United States and not merely those owned by United States companies and flying the American flag. Similar legislation was passed by the Congress in 1974, but President Ford refused to sign it.

American-built flag tankers at present account for only about 3 to 4 per cent of the nation's oil imports and if their share were to rise to 30 per cent by mid-1980 then, according to some government economists, the added oil import costs could easily total \$800m (about £460m) a year, though some industrial sources thought this a very conservative figure.

It is this large increase and the inevitability that it would be passed on to consumers and added to the country's inflation rate that has brought opposition to the measure from senior officials in the Treasury and Commerce Department.

The Department of State and the White House International Trade Office have also been opposed to the legislation. The State Department said in testimony to the Congress on the 1974 Bill that it "considers cargo preference as a mechanism to spur possible retaliation from not only oil producing nations but our major trading partners since the first of the commercial cargoes upon which they expect cargo preference to be applied".

The Trade Office, preparing for a multi-lateral trade liberalization negotiations in Geneva, will find it harder to convince foreign countries of America's sincerity towards free trade.

The shipping measure is clearly a protectionist measure

representing a clear non-tariff barrier to free trade. If America goes this way then how will White House trade officials persuade foreign nations to desist from taking similarly restrictive actions?

President Carter, to be accurate, has not gone as far in supporting this legislation as the unions and the shipbuilders would have liked.

He informed Congressional committees in late July that he would sign legislation which raises the share of oil imports carried in American-built ships to 9.5 per cent by October 1, 1982.

He said this volume should be reached gradually, starting with a minimum required level of 4.5 per cent as soon as the legislation was enacted.

It may be harder to convince foreign countries of America's sincerity towards free trade.

The unions and the shipbuilders seem more than happy with the President's statement.

A leading sponsor of this legislation, Congressman Dan Murphy, chairman of the Merchant Marine and Fisheries Committee of the House of Representatives, stated on hearing the President's decision: "It is the most significant event in the history of the American merchant marine since the founding of the Republic".

Mr Robert Blackwell, the Assistant Secretary for Maritime Affairs, argues that the President's proposal will raise United States oil import costs by only between \$110m to \$180m a year which is dispersed by many economists who see a major benefit in the shipping industry.

Mr Blackwell also noted in recent testimony to Mr Murphy's committee that the President's decision would not violate trade and navigation treaties with other countries, and that "in every one of the

treaties that I have looked at there is an excruciating provision" allowing trade exceptions on grounds of national security.

The Council of European and Japanese National Shipowners' Associations contends that the legislation will violate foreign treaties, and a number of Washington lawyers share this view.

The national security argument is viewed as bogus, and the council points out that more than 60 per cent of United States oil imports are currently carried in American-owned ships. The fact that most of these ships were not built in the United States does not have any impact at all on American oil security.

The experts note that it is also a somewhat spurious argument to suggest that the United States has to maintain a major shipbuilding industry to ensure its security in times of war.

The security issue has been just one of the main features of the major campaign mounted by the unions and the shipowners to win the Administration's support for this new legislation. Another key issue has been the protection of the environment.

Several recent major oil spills off American coasts have been caused by American flag ships, and supporters of the cargo preference Bill argue that tougher safety standards applied to ships built in America make them safer for carrying oil.

Enforcing safer standards, however, is a matter already being discussed by governments on an international basis, and changes in United States cargo preference laws are unlikely to make a real difference here.

The unions have also contended that the legislation will mean more American jobs, and the President has been particularly sensitive in recent months to criticism by labour organizations that he has not done enough to stimulate employment. The unions certainly appear to have factors to support their case on this front.

Legislation which already exists requiring all Alaskan oil to be shipped in United States tankers, and which requires oil transported to the new United States strategic oil reserve to go in American vessels is already giving a new lease of life to the shipyards.

The President's declaration in favour of the cargo preference Bill has now made some shipyarders believe they are set for a bonanza, and there is talk in the industry of a sharp increase in employment.

A major argument made by the shipowners' council and by opponents to the new legislation, which the Congress and the Administration appear to have ignored so far, centres on the effect of the legislation on the world shipping market.

The council notes that the Bill going to stimulate United States tanker construction "at a time when there is an unprecedented surplus of tanker capacity in the world."

This would prolong the crisis in international tanker shipping and aggravate the problem of the world shipbuilding industry, which is now facing one of its most serious crises ever, due to vast over-



The launching of Texaco New York from Newport News SB & DD yard, Newport News, Virginia.

capacity of building facilities and lack of new orders." According to the council's experts the volume of excess tanker tonnage today is more than 90 million tons deadweight and this amount is likely to grow until at least 1981.

Another argument made frequently against the proposed legislation is that it will be extremely difficult to administer. A whole bureaucracy may have to be created to keep tabs on the percentage of oil imports in American ships.

There may be a danger of jurisdictional disputes and conflicts between the United States and foreign governments over the manner in which controls are enforced.

Now that the President has given his blessing, it seems likely that the new law, with the 9.5 per cent requirement, will come into effect within a few months.

It is not a good law from the viewpoint of international economic cooperation, free trade and curbing inflation, but it might help the President improve his relations with the trade unions. His decision was clearly reached on political rather than on economic grounds.

It could be that when he finally had to make up his mind he found it too difficult to turn his back on a rash election campaign statement which the maritime unions and the shipbuilders have constantly been reminding us all about.

During the campaign last year Mr Carter stated that he was committed "to develop a national cargo policy to assure the American flag fleet access to a fair share of all types of cargo in the American trade".

Frank Vogt

NOTICE TO HOLDERS OF THE DAIEL, INC. (KABUSEKI KAISHA DAIEL) 6% CONVERTIBLE DEBENTURES DUE AUGUST 31, 1991

Pursuant to Section 3.04 of the Indenture dated as of June 30, 1976 under which the above Debentures were issued, you are hereby notified as follows:

1. On June 16, 1977 the Board of Directors of the Company resolved to make a free distribution of shares of its Common Stock to shareholders of record as of August 31, 1977 (August 30 in New York City, London and Luxembourg), at the rate of 1 share for each 10 shares held.

2. Accordingly, the conversion price of the Debentures will be adjusted effective immediately after such record date.

3. Debentureholders or holders of Receipts of Deposit desiring to become shareholders of record entitled to receive such free distribution of shares must exercise their conversion right by depositing their Debentures (or Receipts of Deposit) together with a Debentureholder's Notice of Conversion, with The Bank of Tokyo Trust Company, 100 Broadway, New York, New York as Custodian, or any of the Custodian's agents, not later than the close of business on August 30, 1977. The Custodian's agents are The Bank of Tokyo Trust Company, London; The Tokai Bank, Limited, Frankfurt/Main; The Sumitomo Bank, Limited, London; Fuji Bank (Schweiz) A.G., Zurich; The Bank of Tokyo, Ltd., Paris; Brussels and Milan; The Bank of Tokyo (Holland) N.V., Amsterdam; and Kredietbank S.A., Luxembourg/Brussels, Luxembourg.

THE DAIEL, INC.

August 18, 1977

Business Diary in Europe: Spanish labour pains

Spanish Labour Minister, José Jiménez de Parga, is hitting his tongue against a wall of rhetoric which planned down in a crossfire between businessmen and trade unionists. Liberal professor Jiménez de Parga, drafted from academic post as Dean of Barcelona University Law School, is finding that labour and politicians are even respectful than students. Incoming new top officials in the Ministry at the end of the Minister said: "Democracy in companies requires information, more participation, the election of, and rol over, those who assume tasks of management and administration of the company, which is, and should be, held in other words, should be the same as aocracy in the field of state."

The Spanish Management Association wanted no time in giving the Professor to task. After a meeting with Jiménez de Parga one day later, executives of the Federation said the remarks "showed ability and provided reason for grave concern". Senator Luis Olarra, President of the Vizcaya Provincial Assembly's Council and a member of the upper chamber of the Parliament by appointment of King Juan Carlos, said the Minister's comments were "comprehensible and irretrievable".

Before the hubbub had died down, the minister put a controversial statement in a radio interview on August 15 he tried to take the sting out of his previous comments. And referring to Spanish trade unions, he said: "There are still no unions with any great degree of militancy. The immense majority of workers remain outside the unions, and this is a very serious matter."

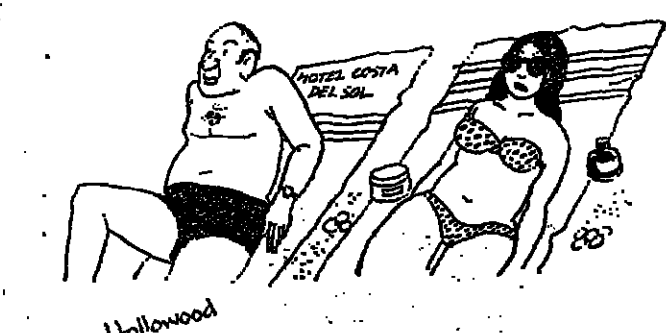
That did it. The next day spokesmen for four of Spain's leading trade unions hit back at the labour minister, pointing out that the number of "militants" in their ranks is quite satisfactory considering that free trade unions were legalized only three months ago.

One day later, a member of the management federation snapped: "When the people elect the ministers, they elect the managers. It is not for executives to be elected by the employees."

Between now and the end of the month, Italian industry comes out of its summer holiday when Fiat down to numerous street-corner news-vendors close down for several weeks' holiday.

The staff of Confindustria, the Confederation of Private Industry, return today to their offices in a Rome suburb after deciding for the first time on a nine-day closure during which even the telephone switchboard was unattended.

One of the few organizations to go against the trend is the Milan stock exchange, which used to shut for a period astride the August 15 bank holiday of Ferragosto, but now remains open and has been



"D'you realize that this place will no longer be really abroad when Spain is admitted to our Common Market?"

ticking over even if dealings have been modest. The post, too, has been affected by the general holiday feeling, and letters from London have been taking up to three weeks. So businessmen should not worry if their Italian correspondents take even longer to reply than usual.

With the right pedigree, a loss even one estimated at 1,000m Swiss francs, can apparently be shrugged aside as so much water off a duck's back.

How else can one explain the present popularity of a 100m franc bond issue that is being offered to investors in the Zurich capital market by the Crédit Suisse?

Looking at the term of the issue, one would think that the Chassis affair with its many still unresolved questions had never occurred.

Bonds, which run to 12 years, have been offered with a 4 1/2 per cent coupon at par. Since first going on sale last Tuesday they

have proved a success and should be healthy oversubscribed. But in terms of yield the Crédit Suisse bond issue offers investors slightly less than a 100m franc 12 year loan floated by the rival Union Bank of Switzerland just a few days before. That issue which also carried a coupon for 4 1/2 per cent was offered for sale at 99 per cent.

The management at Crédit Suisse must be cock-a-hoop. After winning enthusiastic support from their shareholders at the extraordinary general meeting of the bank in June they have now shown that they have the confidence of Zurich's institutional investors.

Whisper it not to London Transport but the Paris Metro and bus services made a profit of 32m francs (£3.7m) on their trading account, according to the annual report for 1976 just published. And they did it while enlarging the size of the

network, improving stations and reducing timetables. The bus services carried 32.6 per cent more passengers than in the previous year and there was an overall growth of 6.3 per cent in traffic—a grand total of 1,867 million passengers.

Over the past five years the Transport Authority has increased the number using the system by 14 per cent, while reducing manpower by 3 per cent.

Even so, there are still many worried. Surrounding departments cannot all be persuaded to give necessary subsidies to run the expensive services outside the Paris region and there is a large number of free or cut-price passes available to special categories of people (they say in Paris that there are only two categories—those with priority and imbeciles).

Extensive work is going on to make the Metro a happy place in which to travel. Some 18 stations are being done up each year, including several of the small "forgotten" ones near the end of the line.

Shops are rushing to take space underground and are now 288 of them offering anything from television repairs to banks and snack bars. One disused platform has been taken as a car showroom.

A new slant on bourgeois Belgium, a subject which still fascinates readers. An unmarried woman friend here in Brussels has just been asked to sign the standard form of Belgian lease, "writes a reader." "It involved, among other things, undertaking to live in her flat as a 'bon père de famille'."

1977

A year of achievement

Highlights from Tim Hearley's Statement to Shareholders

- major expansion of trading base through acquisition of The Beaver Group
- record pre-tax profits of £623,000—exceeding forecast made in February by almost £100,000
- shareholders funds now increased from £7.4m to over £4m
- interim dividend increase forecast at not less than 52%
- 3 for 5 bonus issue—company will qualify for trustee status
- significant increase in profits forecast for current year

The Group now consists of 5 major Divisions engaged in the following activities:

- Hard Trim—manufacturing decorative metal and plastic trims for consumer products.
- Building Products—manufacturing cement additives, decorative paints and specialised coatings.
- Foam—flexible polyurethane foam for upholstery and bedding.
- Sorte Trim—manufacturing weatherproofing equipment including sports car hoods, sunshade roofs and heavy duty canvases.
- Property—owning and managing industrial sites.

C H Industrials Limited

Bank Base Rates

Barclays Bank	8%
Consolidated Crds	8%
First London Secs	8%
C. Hoare & Co.	8%
Lloyds Bank	8%
Nat Westminster	8%
Rossminster Acc's	8%
Shenley Trust	11%
T.S.B.	8%
Williams & Glyn's	8%

* 7 day deposits on sums of £10,000 and under £25,000, 9%.

The Times Special Reports

All the subject matter on all the subjects that matter

NOTICE TO HOLDERS OF THE DAIEL, INC. (KABUSEITI KAISHA DAIEL)

6% CONVERTIBLE DEBENTURES DUE AUGUST 31, 1991

Pursuant to Section 303 (J) of the Indenture dated as of June 20, 1976 under which the above Debentures were issued, you are hereby notified that, because of issue of 10,000,000 new shares of Common Stock in Japan, the conversion price of the Debentures was adjusted, as of August 17, 1977 in Japan (August 16 in New York City, London and Luxembourg), from Yen 1,333 per share of Common Stock to Yen 1,278.6 per share of Common Stock.

THE DAIEL, INC.

August 18, 1977

FINANCIAL NEWS

Freight report

The level of demand, although small in volume terms, for large tonnage in the Gulf over recent weeks all but disappeared last week resulting in a sharp fall in the VLCC charter rate from 22.5 to 24.25 to world scale 22.5. This setback, which allowed the amount of available tonnage to increase even further, proved insufficient to keep rates stable, as they have been for the past few weeks.

The slackness of last week can, in part, be accounted for by holidays on the Continent, but more importantly by the fact that it is summer and the demand for oil is very low. In fact, only three VLCCs were fixed out of the Gulf last week, of which two were taken by Socar at world scale 22.5 and one by a charterer at 22.5. Petrofina took the third vessel at world scale 23.75. With Gulf business in decline, brokers are not too optimistic about the immediate future. They feel the market, at the very least over the next two or three weeks, will drift, inevitably downwards.

However, as they point out, if demand is low, it is just as likely that rates will stay around their present level. The dullness of the Gulf was also seen in the other market sectors. In the Caribbean the level of inquiry was similar to last week, but rates, particularly for larger vessels, were slightly down. Both rates and the amount of inquiry fell in the Mediterranean zone and owners here are reported to have gone about as low as they are prepared to.

Last week was also a quiet one for the dry cargo market. In Transatlantic grain trading, while a reasonable volume has been moving, a surplus of available tonnage is keeping rates almost as low as owners will accept. As the week progressed rates softened with a 50,000 tonner gaining \$4.75 a ton early on.

David Robinson

RTZ faces Australian controversy over CRA's takeover attempt

Rio Tinto-Zinc is no stranger to controversy, but this time it has been dragged into yet another one by its sometimes quarrelsome offspring and 72.6 per cent-owned Conzinc Rio Tinto of Australia.

The storm that has been created in Australia by CRA's handling of its attempt to gain joint control with Howard Smith Limited of Coal and Allied Industries (CAIL) seems likely to seriously damage CRA's carefully-fostered image in Australia and that of RTZ as well.

For once, however, the well-known fractious relations between RTZ and CRA may partly work to the parents' benefit, since CRA can hardly put it about that its actions were forced on it by London.

But RTZ is unlikely to escape unscathed since CRA, as Australia's largest mining company, hardly has a low profile, while the degree of RTZ's ownership is well known, which will give critics a useful starting point.

But it may also be the international business community that will get swept into the controversy. Hard on the heels of the Government temporarily freezing CRA's attempted takeover of CAIL, Shell Company of Australia found its attempts to buy a 16.6 per cent stake in Thies Holdings and a 25 per cent stake in Austen and Bunta subject to a similar 90-day freeze.

Multi-nationals who have been eyeing Australia's mineral potential can hardly be harbouring much love for CRA, which has focused the spotlight on the rush for foreign companies into Australia's coal producers. CRA may have put an end to a fashionable game. CAIL had attracted a number of overseas suitors, one of whom was rumoured to be Shell of Australia. However, when the storm broke over CRA, a Shell

spokesman was quoted with this succinct summation: "In view of the fact that Shell is 100 per cent foreign owned (by Shell Transport and Trading), and that CRA is an Australian company, it would not make much sense for Shell to be for Coal and Allied."

CRA has also managed to make itself unpopular since its buying of CAIL shares in the open market at prices apparently above its bid price, knocked Peko-Wallend, a benevolent Australian company, out of the race.

The head of steam that has built up over foreign ownership has been latched onto by CRA in making the takeover a fairly brazen opportunistic move, has cited "the national interest" as part of the reason for behind its bid for Australian Associated Resources (AAR).

Mr Gordon Jackson, general manager of CSR, has been quoted as saying that CSR decided it was "in the national interest" to oppose CRA.

Mining

Interest for Hall Creek to have a majority Australian ownership and to have Australian control of its management and the marketing of the output. This brings us back to CRA since it was CRA's inability, for one reason or another, to exercise its option to take a further 25 per cent stake in the Hall Creek project, in which AAR currently has the largest single shareholding, that brought Esso into the venture last week.

Esso paid A\$24m for a 25 per cent stake in Hall Creek along with the right to further increase its holding. The management of the project may also be up for grabs now that CRA has become a minor

participant. (The logic of raising the "national interest" over CRA taking Esso into Hall Creek and then using it on the reverse tack when CRA tries to get into CAIL is somewhat obscure.)

AAR has rejected CSR's bid as being inadequate and it will be interesting to see how the battle develops, particularly in relation to CRA's 12 per cent holding, through JOL in AAR.

There are really only two companies that are in a position to make a counter bid. BHP has sufficient funds for the takeover which will cost well over \$600m, but it is in the process of digesting the Peabody acquisition. The other company is, of course, CRA.

The CAIL acquisition is important to CRA since it would take the group into the next generation of Australia's coal mines. CAIL, through JOL, has a major coal deposit in the Warkworth area in New South Wales. CAIL's lease areas hold massive coal reserves which could be mined by open-cut methods; it has proven reserves of about 600m tonnes of soft coking and steaming coal.

The Warkworth deposits have a major advantage over Hall Creek, which no doubt influenced CRA in making the "switch"—cost. Against the \$600m needed to develop a 5m tonne a year operation at Hall Creek, it has been estimated that only \$60m would be needed at Warkworth, albeit for a smaller operation at 3m tonnes a year.

Part of the opposition to the recent activities of the multi-nationals is that many moves have been into established companies and operations, rather than into greenfield developments.

Desmond Quigley

Influence of the private tin miners may keep Bolivia within the pact

Recent adjustments to its buffer stock fund and ceiling prices by the International Tin Council have done nothing, to placate the Bolivians, who are again threatening to withdraw from the International Tin Agreement to which they acceded only with reluctance in the first place.

There is little doubt that such an action could lead to the collapse of the pact and the next step would be moves by Bolivia to entice the three other major producers—Malaysia, Indonesia and Thailand—into a producers' organization on the lines of the Organization of Petroleum Exporting Countries.

But while the Bolivian Ministry of Mines is studying whether to recommend withdrawal from the ITA, it is pointed out by the *Latin America Commodities Report* that the ministry will have to take into account a claim by the powerful private mining sector that such an action would jeopardize national mining.

The report says that opposition from the private miners, who offer serious competition to the nationalized companies, themselves afflicted by a grave internal crisis, could be crucial in determining Bolivia's attitude towards the pact.

"Local observers, who recognize the sector's powerful influence on strategy, think it will prevent the government carrying out its threat of withdrawal."

Bolivia produces about 23,000 tonnes of refined tin annually, of which the mines nationalized in 1953 produce 10,000 tonnes. According to Generalissimo Yrigoyen, the Minister of Mines, "if Bolivia had to leave the agreement it would be temporary."

Mr Peter Lai, executive chairman of the International Tin Council, who is on an official visit to Malaysia, has urged the stimulation of new investment in the industry by providing incentives to miners.

Mr Lai said council members of the States of Malaysia Chamber of Mines that, failure or even delay, to encourage new investment in production would lead to higher prices both for consumers and producers and possibly to greater substitution.

There was a possibility of a large deficit between supply and demand if nothing was done to increase production. A deficit in the last 15 years of about 50,000 tonnes had been made good only by disposal from the United States General Services Administration stockpile. He anticipated that in the next ten years there would be an equally large deficit if nothing was done to increase production.

It is thought that the present method of adjusting the ITC price range was an improvement on past practices, but the method could, and should, be improved with experience.

It would be more relevant to take account of costs of opening and operating new mines, rather than production costs in existing mines, when considering measures to expand production.

The Malaysian Ministry of Primary Industries has reacted to a suggestion by Leow Yan Yip, president of the All-Malaysia Chinese Mining Association, that a senior minister should be specifically appointed to monitor the implementation of national mining policy.

Law Sip Hon, the Deputy Primary Industries Minister, said that government is not preoccupied about the mining industry and will continue to promote its well-being both domestically and internationally.

But it would be premature to suggest that a senior minister should perform a monitoring function. The powers of the government were limited by

the federal system which vested land rights in the states. However, the ministry had been authorized to draw up a national mining code by the National Land Council, on which state governments were represented. The ministry wanted to evolve a more coordinated mining policy in collaboration with the state governments. A special working committee would investigate the problems and recommend solutions.

In its latest quarterly review of the main non-ferrous metals, *Commodity Analysis*, saying that the ITA price range will possibly be raised again in the near future, adds that at present the market is firmly moving in the interest of producers with a substantial deficit between consumption and new supplies, a new buffer stock price range and the prospect of substantial releases by the United States General Services Administration leaving receded.

Accordingly, says the review, an increase in the cash price of tin to about \$5,800-£7,000 per tonne seems possible in the coming months, but it would advise caution as unpredictable events will turn to favour the consumer in due course.

The 1976 apparent metal deficiency of some 21,000 tonnes between new supplies and net new supplies was met by GSA sales of 4,000 tonnes, sales by the buffer stock manager of 20,000 tonnes and by producers' releases of 3,000 tonnes, to create an overall surplus of about 11,000 tonnes, largely held by the trade and non-industry buyers.

This year, there are unlikely to be either buffer stock sales or releases by the GSA until the United States Administration's new policy on commodities in general is formalized. The review adds that a contribution to the Fifth Tin Agreement and partly to the United States consumers, will probably start to be made during the first half of 1978.

Wallace Jackson

Commodities Editor

Unit Trust Prices—change on the week

FT Index change on week 487.7+152 (32.2%)

Unit	Price	Change	%
2,030 Airsprung Ord	41	-4.2	10.3
345 Airsprung 18% CULS	138	-18.4	13.4
825 Armitage & Rhodes	37	-3.0	8.1
3,757 Bardon Hill	123	-3.2	10.7
1,639 Deborah Ord	137	-4.2	9.0
299 Deborah 17% CULS	149	-11.5	8.7
19,053 Frederick Parker	132	+1.1	2.5
1,204 Henry Sykes	93	+1.1	2.5
8,100 Jackson Group	48	-5.0	9.6
12,283 James Burroughs	89	-2.0	6.7
2,835 Robert Jenkins	278	+1.1	2.7
2,350 TwinklOCK Ord	11	-	-
1,747 TwinklOCK 12% ULS	64	+2.0	18.7
2,742 Unilock Holdings	63	-2.0	11.1
4,800 Walter Alexander	76	-1.0	8.4

R. PATERSON & SONS LTD.

Extracts from the Annual Report and Chairman's Statement for the year ended 31st March, 1977.

Results	1977	1976
Group Turnover	13,689	9,635
Profit before Taxation and Extraordinary Items	458	433
Taxation	217	213
Extraordinary Items net of taxation	NH	23
Dividends paid and proposed*	104	94
Profit retained	137	103

*The aggregate of dividends waived amounts to £24,876.

These results include share of profits for the 52 weeks ended 31st January 1977 from Schwarz Spices Ltd., 55% of which is owned by your company.

maximum Dividend

1977 results reflect the improvement in trading in the second half of the year as compared with the first half. Your Directors are recommending the maximum permitted dividend of £1.00 (1976—£0.75).

perations and Developments

continued roll of the year saw considerable improvement in the production of our manufacturing products.

Looking back over the year, we are pleased to see that the company has achieved a number of significant milestones.

Our sales have increased by 10% over the previous year, and our production has increased by 15%.

Our research and development department has been very active, and we have a number of new products in the pipeline.

Our financial position is strong, and we have a good working capital position.

Our staff have worked very hard, and we are proud of their achievements.

Our future prospects are bright, and we are confident that we will continue to grow and prosper.

Our shareholders will be pleased to see the results of our efforts, and we hope that they will be satisfied with the dividend we are recommending.

Our Directors are recommending the maximum permitted dividend of £1.00 (1976—£0.75).

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(Current market price multiplied by the number of shares in issue for the stock quoted)

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 Scottish

